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NEWS SUMMARY

GENERAL

Beirut attack on UN building

One hundred South Lebanese protesting at the UN's failure to stop Israeli raids on the south rampaged through a UN building in West Beirut. Armed, with axes and shovels, they smashed every window, wrecked cabinets and burnt files.

"About 20 people were hit and punched by the demonstrators," the UN said. "We were lucky no one was very badly hurt. They were crazy."

Six others were taken unconscious by ladder from the smoke-filled building which houses the offices of a UN military observer group for south Lebanon and the Economic Commission for Western Asia.

Children killed

Pakistani children aboard a ...i Arabian Lockheed TriStar ...ng over the Gulf were killed ... they were sucked through ...hole made in the floor by one of the landing wheels, said the Saudis.

Airline strike off

Maintenance workers of the Portuguese airline TAP called off a pay strike after intervention by the Transport Minister.

Italy earthquake

An earthquake measuring 4.7 on the Richter scale jolted northern Italy. Its epicentre was in Appennino Emiliano, near Parma.

Singapore victory

Singapore Prime Minister Lee Kuan Yew's ruling People's Action Party won all 75 seats in the general election.

Boy traced

Ward of court Charles Challis, aged five, was traced to his grandmother's home near London after a four-month search.

Kidnap fear

Barcelona police are searching for 7-year-old British girl Stacey Nelsen whom they think was kidnapped.

Ayatollah escapes

A bomb that exploded near Tehran university was meant to kill Iran's prosecutor-general Ayatollah Moussavi Ardabili according to the group Forqan. No one was hurt.

Bethlehem move

Israeli troops tightened security in Bethlehem, where 33,000 pilgrims are expected today.

Foot in hospital

Labour Party leader Michael Foot is likely to spend Christmas in a north London hospital for observation for an eye complaint.

Spirited shopping

Drinks shops expect to run out of various brands before the end of today. Late buying spree, Page 5

Christmas menu

The Crisis of Christmas Campaign has laid on 800 lbs of turkey, 2,200 portions of Christmas pudding, 2,000 lbs of potatoes and 1,000 loaves of bread to give London's homeless Christmas dinner.

Coining it in

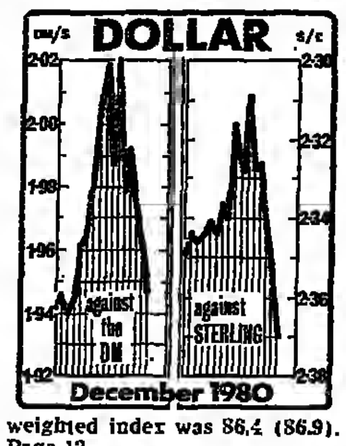
Sales of the Manx Christmas coin—thought to be the world's 55,000 minted.

BUSINESS

Sterling up 1.8c; gold rises $9

● STERLING advanced 1.80 cents to finish at $2.3700 after reaching $2.3795. Its trade-weighted index was 78.0 (77.7). Page 13

● DOLLAR closed at DM 1.9460 (DM 1.9620), and its trade-weighted index was 86.4 (86.9). Page 13



● GOLD rose $9 to $604.50 in London. Page 13

● GILTS were checked by the Bank's action to ease upward pressure on the market. The Government Securities index shed 0.07 to close at 68.99. Page 18

● EQUITIES: The FT 30-share index gained 2.1 to close at 466.7. Page 18

● WALL STREET was 3.24 higher at 962.03 near the close. Page 16

● BRITISH SHIPBUILDERS made a trading loss of £57m in the half-year to September 30 and forecasts a 12-month loss of up to £140m. The Government originally set a loss limit of £90m for the year. Page 22

● ICL, which announced its first quarterly pre-tax loss earlier this year, is to reduce its headquarters office stuff in a further bid to cut costs. Page 5

● LEGAL ACTION against the British Steel Corporation is being considered by men who face redundancy at BSC's Velindre tinplate works. Page 6

● BRITISH PETROLEUM has been awarded a greater share of reserves in the North Sea Ninian Field. Page 4

● MEXICAN OIL prices are to rise by about 15 per cent today. Top-grade onshore crude will go up $4 to $38.5 a barrel, and offshore oil will cost $34.5, an increase of $5.5. Lombard, Page 6

● BARCLAYS BANK is discussing the possible purchase of one of Spain's troubled banks. Page 22

● KLEINWORT BENSON, the merchant bank, has renounced its rights to take voting control of M & G Group (Holdings), the unit trusts concern. Page 22

● JAPAN'S CAR manufacturers almost doubled their share of the West German sales market in the first 11 months of this year. Page 3

● BRITISH TEXTILE Confederation is to hold a conference in March to examine ways the industry can prepare itself for the lifting of the recession.

● GKN and the Australian group Brambles Industries are to pay £20m for the Redland waste transport and disposal business, Redland Purle. Page 22

● GREYCOAT COMMERCIAL Estates has submitted fresh proposals for a £150m scheme to redevelop part of London's South Bank. Page 4

$ falls against most currencies as more banks cut prime rate

BY DAVID LASCELLES IN NEW YORK

THE DOLLAR fell against most major currencies yesterday as more banks joined this week's Prime Rate cut, the first in four months.

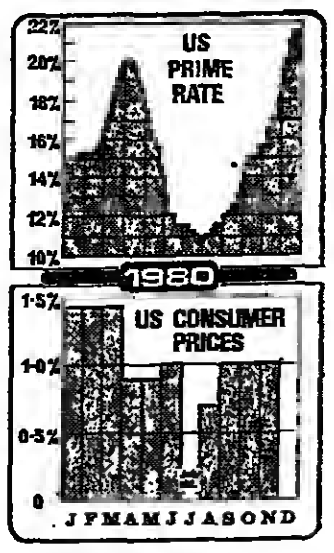
But although the U.S. economy showed some fresh signs of strength, an official on President-elect Ronald Reagan's staff warned that the state of the economy was still "very serious," and he said the new administration was pushing ahead with plans for a major economic package when it comes into office.

The first estimate of economic growth in the fourth quarter was produced by the Commerce Department yesterday. This showed the economy advancing at a real annual rate of about 4 per cent.

At the same time, the department increased its estimate of the annual GNP growth rate for the third quarter from 0.9 per cent to 2.4 per cent.

This was because growth was stronger than first thought in corporate profits, and in the country's investment and savings.

However, this strong pace helped to keep the inflation rate in double figures. The Labor Department also reported that the consumer price index in November rose by 1 per cent, or an annual rate of 12 per cent before compounding. This is the same as the rate for September and October, so there has been no improvement in inflation for three months.



Rises in food and petrol prices were mainly to blame for the November rise.

There was some consolation, however, in the Commerce Department's GNP deflator statistics, which many people hold is a better guide to inflation than the Consumer price index.

This showed the annual inflation rate running at 9.2 per cent in the third quarter, down from the previously estimated 9.8 per cent. This tends to confirm that the underlying rate is in the 8-10 per cent range.

All these developments confused Wall Street, where the feeling has been mounting in the past few days that the economic pace is slackening, and that interest rates will shortly fall from their record levels.

This feeling was reinforced when Chase Manhattan and a handful of small regional banks cut their prime rate to 20½ per cent yesterday in the wake of the move initiated by Wells Fargo late on Monday.

However, Chase said: "It is unclear whether the easing of rates will be sustained in the

Continued on Back Page

Paris and Bonn to defy European Parliament

BY GILES MERRITT IN BRUSSELS

FRANCE and West Germany are to deny the Brussels Commission and the European Parliament by witholding their full contributions to the EEC's 1980 and 1981 budgets, according to French officials here last night.

In a move that contains all the ingredients for a serious constitutional clash inside the European Community, the Paris and Bonn governments are challenging the powers of the directly elected European Parliamented by forcing the European Commission to take them before the European Court of Justice in Luxembourg.

Within days the French Government is to anounce its refusal to contribute towards the 336m European Units of Account £200m supplementary 1980 budget, aimed chiefly at Italian earthquake relief. It will also state its intention of pegging the 1981 contributions at previously agreed 1980 levels under the EEC's "provisional one-twelfths" system.

It is understood that the Bonn Government has given Paris an undertaking to adopt the same course, as has another unnamed member state believed to be Denmark.

As guardian of the EEC's Rome Treaty, the European Commission would have no alternative but to start proceedings in the Luxembourg court that will test the defaulters' contention that the supplementary 1980 and full 1981 budgets were the subject of "procedural irregularities."

The legal proceedings are likely to be treated with urgency and a judgment could be made by mid-January.

The controverys spring largely from the attempt by the European Parliament to increase the 1980 budget in order to provide assistance in the Italian earthquake disaster.

Before this move, the Nine were broadly agreed on the 1981 budget. But the move to supplement 1980 spending automatically meant an increase in 1981 spending under an existing EEC formula.

France's fundamental objection to the supplementary budget is that the Parliament deliberately used it to raise 1981 spending levels automatically. This represents a dilution of national governments' powers. France claims the support of Belgium and the Netherlands on this point.

At the special session of EEC Budget Ministers on Monday, the UK, Italy and Ireland all backed the 1980 supplementary budget and the slightly increased 1981 budget. With the Council divided Ministers decided after hours of wrangling not to vote on the matter.

This meant that under present budgetary procedure both budgets were deemed adopted by the Council. Yesterday Mme Simone Veil, president of the European Parliament, accordingly made the formal decision to implement both budgets.

Our Foreign Staff writes: In London last night the Foreign Office had no comment on the demand from Brussels for supplementary contributions. However, Mr. Nigel Lawson, Financial Secretary to the Treasury, has said he feels the whole process of adopting Community budgets should be reviewed.

Fraser seeks institutional support

BY CHRISTINE MOIR

INSTITUTIONAL fund managers are now being dragged personally into the battle of words between the board of House of Fraser and Lonrho, the largest shareholder in the department stores group.

Professor Roland Smith, Fraser's newly appointed £50,000 a year part-time deputy chairman, has sent personal letters to the heads of a number of large con. nationalised industries and institutions, pleading for their support.

The letter asks for a public declaration of support through heavy institutional share buying in the market.

Professor Smith prefaces his unusual request by saying he does not know whether the organisations have holdings in House of Fraser or not. Rather he asks them to look again at their investment portfolios with a view to seeing "if you can help us" by buying shares or increasing existing holdings.

Trading "will not always be so difficult," he says, and meanwhile the company is supported by strong property assets.

The letter is seen as independent of Fraser's formal defence campaign against Lonrho's call for a special meeting to overturn the board's decision to sell and leaseback its D. H. Evans store in Oxford Street.

Professor Smith's letter, did not contain any new information about the company's affairs or the board decision. It merely sought support for the board which would become public knowledge if the institutions bought heavily in the market.

Meanwhile, Lonrho's own battle with its leading and openly dissatisfied shareholder — Gulf Fisheries — was brought into prominance again yesterday when Gulf said it had sold for just under £2m, 2.1m of its total holding of 40.5m shares in Lonrho.

This reduces its stake to 14.68 per cent or 15.14 per cent if the holding is put with that of Sheikh Nasser Al Sabah, the Kuwaiti who controls Gulf.

The Sheikh, who formerly held a board seat at Lonrho, resigned two years ago and later claimed he was dissatisfied with the company's performance. Early this year he was in unsuccessful negotiations with a possible buyer for the entire stake.

£ in New York

—	Dec. 23	previous
Spot	$2.3530-3555	$2.3510-3530
1 month	1.10-1.30 pm	1.55-1.70 pm
3 months	2.60-2.90 pm	3.10-3.25 pm
12 months	3.00-3.60 pm	3.75-4.00 pm

BL says 50,000 jobs are at risk

BY ARTHUR SMITH

BL warned last night that the volume car business could be destroyed and more than 50,000 jobs put at risk as talks to end the strike by 1,500 workers at Longbridge, Birmingham broke down.

Nearly six hours of talks, instigated by the Advisory, Conciliation and Arbitration Service failed to make any progress towards ending the strike, staged as a protest at the company's decision to dismiss eight workers for their alleged role in disruptive scenes at the plant.

Mr. Harold Musgrove, Managing Director of Austin Morris, made it clear the company was prepared to go to the brink to assert its right to manage.

In a dramatic move that escalates the dispute and puts the whole future of the State-owned concern once more into the balance, he said that strikers who did not report for work after the Christmas holiday on January 5 would be dismissed.

BL would recruit new workers and transfer employees to ensure that full production of the successful Metro model at Longbridge was restored.

The tough BL management line has clearly put union leaders on the spot. They realised that disruption to the successful Metro is particularly damaging at a time when the company is seeking £1bn additional state finance for its recovery programme.

Mr. Geoff Armstrong, the Employee Relations Director, said: "Unless we can bring this dispute to an end very quickly in the New Year quite clearly we will have run out of money."

Inspite of yesterday's apparent total breakdown of talks, both sides will be looking for a way out of the present impasse during the Christmas shutdown.

Mr. Brian Mathers, Midland secretary of the Transport and General Workers' Union, suggested it was only a formality that his union would declare the strike official. The union argues that there is a clear case of victimisation and insists an independent enquiry should be established to examine the facts.

Mr. Musgrove said that within a matter of days an official dispute could put at risk the whole volume production side of BL cars with 50,000 jobs immediately affected, and many more among components suppliers.

Mr. Armstrong ruled out an independent inquiry. Management accepted its "responsibility for the plant and protection of employees within the plant." BL could not hand over that duty to a third party.

Adult jobless up by 64% during year

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

ADULT unemployment in the UK jumped by 836,000, or 64 per cent, this year. This is the largest increase for any year since 1930 and occurred as companies responded to the deeper-than-expected recession by shedding labour on a record scale.

Department of Employment figures published yesterday show that the adult total increased by 105,100, to 2.13m, seasonally adjusted, in the month to mid-December. The total is equivalent to 8.8 per cent of the workforce.

The figures present an almost universally grim message for the Government after Monday's gloomy forecasts from the Organisation for Economic Co-operation and Development and last week's criticisms of Government policy from the Treasury and from the Civil Service Committee of the Commons.

The only ray of light, which is dim, is that the rate of growth of unemployment no longer appears to be accelerating. The rise in December was smaller than last month's 136,000 increase, though that covered five weeks.

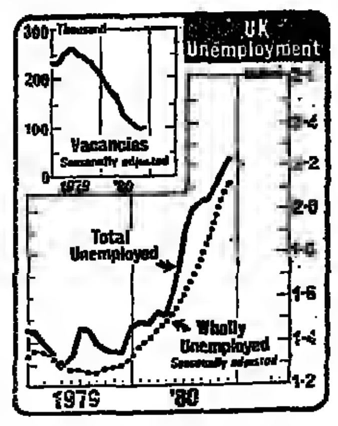
Nevertheless the underlying monthly rate of increase since late summer was still well over 100,000, twice as large as in the mid-1970's recession.

Similarly, it would be wrong to read too much into the 4,800 rise to 102,000 in notified vacancies, seasonally adjusted, in the month to mid-December, the first increase for 18 months. The level of vacancies is so low —120,000 lower than a year ago —that small fluctuations are not of great significance.

Mr. James Prior, Employment Secretary, has already conceded that unemployment is likely to continue to rise in 1981, though the rate of increase may slacken.

About the best that can be hoped is that output will stop falling by next spring, that vacancies will start increasing shortly afterwards, and that unemployment will stop rising next winter. But many economists, including those at the OECD, regard this view as too optimistic and have forecast that the total, including school-leavers, could rise, by between 750,000 and 1m between now and mid-1982, to more than 3m.

At present the unadjusted, or "headline," total, including school-leavers, is 2.24m, a rise of 81,000 in the past month and of 889,000 in the past 12 months. This is equivalent to 9.3 per cent of the workforce. Leaving aside what happens to the underlying trend next month, there is normally a seasonal rise of between 65,000 and 70,000 in January.



The number of unemployed school-leavers continues to decline—by 15,000 to 95,000 in the past month—though the total was still 56,000 higher than a year ago.

The overall unemployment total would have been much higher but for the Government's special job-assistance measures, which at the end of November were keeping 310,000 people off the unemployment register, a rise of 35,000 compared with the end of October.

A major impact is being made by the temporary short-time working compensation scheme which is intended to encourage employers to adopt short-time working rather than redundancies.

Nevertheless, notified redundancies were about 56,000 last month compared with 20,400 in November last year. The total in the first 11 months of this year was 447,300, far more than in any previous year since the collections of records started in 1969.

The bulk of the redundancies were in manufacturing industry. This was reflected in the above-average increase in unemployment in the West Midlands in the past year—up nearly 90 per cent compared with a 64 per cent rise in the UK as a whole.

In spite of the sharp rise in unemployment the labour market has remained fairly active. An average of 272,000 people was leaving the unemployment register in the three months to November, slightly more than at the beginning of this year.

However, 363,000 people were joining the register in the same period, compared with about 280,000 at the start of 1980. The gap accounts for the rise in unemployment.

Map and reactions, Page 4
Thatcher rejects work sharing, Page 4
Editorial comment, Page 10

The Financial Times wishes all its readers a Happy Christmas.

In common with other national newspapers, the FT will not be published tomorrow or Boxing Day.

The issue of December 31 will include special articles reviewing the economic and industrial prospects for 1981.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Assoc. Leisure	122	+ 6	Doornfontein	£11¾	+ ½
Blue Circle	336	+ 6	Grootvlei	558	+ 38
English Association	335	+ 20	Haoma Gold	184	+ 10
Egered	21	+ 5	Hill 50 Gold	48	+ 5
Fogarty (E.)	72	+ 4	North Kalgurli	83	+ 7
			FALLS		
Gerrard & National	285	+ 9	A.B. Electronic	105	− 4
GUS A	465	+ 10	Celestion	19	− 3½
GKN	141	+ 7	Elliott (E.)	19	− 3
Hongkong Land	189	+ 8	European Ferries	147	− 5
M. & G. Holdings	242	+ 40	F.C. Finance	106	− 11
Redland	162	+ 4	ICL	66	− 3
Sainsbury (J.)	345	+ 8	ICI	320	− 6
Carless Capel	191	+ 8	Melody Mills	24	− 6
KCA Intl.	181	+ 13	Polly Peck	135	− 8
LASMO	731	+ 19	Castlefield (Klang)	450	− 20

CONTENTS

For latest Share Index phone 01-246 8026

China considers re-selling unused foreign equipment

BY TONY WALKER IN PEKING

Mr. Yao . . . critical.

YAO YILIN, Chinese economic planning chief, said this week that China was considering re-selling to third countries some of the plant and equipment it has ordered, but which it now does not need. He promised, however, that China would honour agreements it has signed, although some deliveries may be delayed.

A number of projects, including the giant Baoshan steelworks near Shanghai, have been severely affected by the tough readjustment of the national economy now being instituted—the second in less than two years.

The main thrust of the readjustment is to cut expenditure in construction. The Chinese are being quite ruthless, abandoning several projects already under way. Japan has been hardest hit. It is estimated that contracts worth $1bn will be affected in some way.

Mr. Yao, who is a Vice-Premier and also a member of the Communist party secretariat, said the second stage of the Baoshan project, easily China's most ambitious capital works programme, would be stopped. He did not indicate whether it would merely be postponed or scrapped altogether.

He was critical of lack of feasibility studies before the project was started, saying many aspects had not been thought out clearly.

Bank warns of gloomy outlook in Zimbabwe

By Our Salisbury Correspondent

WHITE emigration from Zimbabwe could reach a record 20,000 next year, leading to an acute shortage of technical skills and adding to inflationary pressures in the economy, a leading commercial bank forecast yesterday.

In its monthly economic bulletin, the Standard Bank also said the rate of inflation would increase from 10 to at least 15 per cent next year, while personal and corporate taxes would also increase as the Government sought to reduce its budget deficit.

The bank termed the deficit "the most serious threat to the economy," and said it would probably exceed the Z$485m (£325m) estimated in July's budget because of high government spending on defence and social services.

Zimbabwe's economy achieved its first real growth in five years in 1980 with gross domestic product increasing by 7 per cent. For 1981, the bank forecast real growth at around 10 per cent and said 1980 should end with an effective overall balance of payments surplus on both current and capital accounts.

The bulletin said there was still considerable caution among foreign investors.

The bank's gloomiest prognostications concerned emigration among the 200,000 white community.

Next year could see emigration in excess of 20,000, with high outflows in April and May when public servants' contracts expire and the school term ends. Emigration was creating "an increasingly acute shortage of certain technical skills," it said.

Jewels libel costs Le Canard FFr 1

BY ROBERT MAUTHNER IN PARIS

THE FAMOUS French satirical weekly, Le Canard Enchaîné, was ordered yesterday by the Paris Appeals Court to pay a symbolic sum of FFr 1 in libel damages to M. François Giscard d'Estaing and M. Jacques Giscard d'Estaing, the French President's cousins.

The libellous article, in which Le Canard alleged that the former Central African dictator, Jean-Bedel Bokassa, had given presents of diamonds to the President's two cousins, was published in October 1979.

It was part of a series alleging that both President Valery Giscard d'Estaing and some of his family had received presents of diamonds from ex-Emperor Bokassa. In the case of M. Valery Giscard d'Estaing, these presents were claimed to have been given to him on several occasions while he was still Finance Minister and, on at least one occasion, after he had been elected President.

The President has never formally denied the charges and has not taken legal action against the newspaper.

While the Appeals Court confirmed the ruling of a lower court in the case of M. François Giscard d'Estaing, it reversed the earlier ruling in the case of M. Jacques Giscard d'Estaing. Last April, the tribunal had ordered M. Jacques Giscard d'Estaing to pay legal costs, since Le Canard had said only that he had received diamonds and not that he had done anything reprehensible in exchange.

'No interference' in Chad Paris tells Libya

BY DAVID WHITE IN PARIS

FRANCE HAS called on Libya to respect the independence of the former French colony of Chad following the victory of Libyan-backed forces supporting President Goukouni Oueddei.

The latest Chad peace talks, including Libya but not France, began yesterday in the Nigerian capital, Lagos, the scene of last year's short-lived agreement on a transitional government grouping different rebel factions.

M. Jean François-Poncet, the French Foreign Minister, told Mr. Ahmed Shahati, a senior Libyan envoy, that France would support the conference's efforts to find a peaceful and lasting settlement. But he also insisted on the principle that other countries respect Chad's independence and territorial integrity and not interfere in its internal affairs. These principles were enshrined in last August's agreement.

Libya since 1973 has been occupying a strip of Chad south of its own border and its backing was instrumental in the final stages of the nine-month civil war. Mr. Shahati denied that Libyan forces were directly involved and said that Tripoli had only sent "technicians" at the request of Chad's legitimate government.

Just before the Libyan-aided presidential forces captured N'djamena, the capital, at the beginning of last week, France issued a stern warning that was interpreted as a threat to send French troops back in to Chad.

M. François-Poncet told the National Assembly's foreign affairs committee on Friday that French military assistance had not been solicited but that France would continue to support efforts by other African countries to enforce peace in Chad.

French officials say the Government is ready to study any request from the Chad Government for aid to help rebuild the country's shattered economy.

France came under attack last week from President Mobutu Sese Seko, of Zaire, who said after a meeting with President Giscard d'Estaing that France should not have withdrawn its troops in May this year, and that it had "a certain moral responsibility" for the present state of affairs.

French consumer price rise slows

THE RISE in French consumer prices slowed to 0.7 per cent last month after climbing to 1.1 per cent in October, writes David White. The increase in the index over the past 12 months remained steady at 13.5 per cent.

November's rate is the lowest since June. But the government statistics institute pointed out that the very low 0.2 per cent rise in service costs, alone responsible for bringing the overall figure down, stemmed partly from an adjustment in the index for medical fees.

Prices of manufactured products and food rose at the previous month's rate of 1 per cent and 0.8 per cent respectively.

Jiang Qing abuses trial judges

BY OUR PEKING CORRESPONDENT

A SPECIAL Peking court trying the "Gang of Four" was in uproar yesterday as Jiang Qing, Mao's widow, screamed at the bench: "You are Fascists. . ." She was warned she was risking a heavier sentence and was in contempt because of her outburst.

On trial for her life over alleged crimes committed during the Cultural Revolution, Jiang Qing has been the most openly defiant of the four.

Last week she was frog-marched from court after abusing witnesses and shouting at the judge. There are reports that she slapped one of the policewomen who removed her.

The most bitter moment yesterday occurred when Ah Jia, former director of the Peking Opera Theatre, told the court that Jiang Qing "framed and persecuted him and his family and had his wife persecuted to death."

He accused her of plagiarising his work, ransacking his house and sending in thugs to ensure that he did not reveal he was the creator of the opera, "Red Lantern," for which she claimed credit.

According to Xinhua, Ah Jia accused her of destroying China's culture and murdering thousands of people.

The trial is now drawing to a close. Evidence has been completed against all the defendants, with the exception of Jiang Qing. A verdict is possible early in the New Year.

Chrysler cuts K-car output

BY PAUL BETTS IN NEW YORK

CHRYSLER, THE U.S. vehicle manufacturer, is planning to reduce by 21 per cent production of its new compact, front-wheel-drive K-car early next year in a further attempt to reduce the stockpile of vehicles in U.S. dealers' showrooms.

The latest sign of the company's dire problems came as Chrysler prepared to submit formally to the Chrysler Loan Guarantee Board in Washington yesterday a new financial and operating plan as part of the company's application for additional federal aid.

The announcement of additional production cutbacks and further lay-offs also coincides with Chrysler's attempt to negotiate with the United Auto-Workers Union concessions on wages and benefits which would save about $600m (£255m).

Chrysler said yesterday that production of its K-cars—the Plymouth Reliant and the Dodge Aries—would be reduced by 21 per cent when its plants in Detroit and Delaware re-open on January 12. Earlier, the company decided to shut the two plants for an extended period over the Christmas holidays.

It announced last week that production would be cut by 22 per cent at its assembly plant at Belvidere, Illinois, when that re-opens on January 12. The Belvidere plant produces the subcompact Omni and Horizon cars which, like the K-cars, are among the small, front-wheel-drive cars which the company had been counting on to lead it back to profitability.

Daily production at the two K-car manufacturing plants will be reduced from 2,240 to 1,760, and 780 workers will be indefinitely suspended. Daily production at the Belvidere plant will be reduced from 1,224 to 960 cars.

Although sales of Chrysler's new cars have recently been improving, the company said yesterday that it still had a 98-day supply of K-carso n hand day supply of K-cars on hand supply is considered normal.

The company said it does not expect the Chrysler Loan Guarantee Board to take any action on the company's operating and financial plan before the first week of next month. Negotiations with its banks over the company's proposals to convert some $572m of debt into equity were progressing well.

Challenge to EEC steel curbs fails

By Giles Merritt in Brussels

A CHALLENGE to the legality of the European Community's mandatory curbs on steel production has been turned down by the European Court of Justice in Luxembourg.

But, according to European Commission officials in Brussels, the careful wording of the court's finding on the complaint lodged early this month by Rumi, an independent Italian producer, could leave the door open for other suits against the compulsory steel regime.

Two other EEC steelmakers — West Germany's Kruppstahl and Italy's Padana — have already lodged suits against the quotas operating up to mid-1981.

European steel producers have only until the end of December to contest the curbs.

It had been thought that a decision by the Luxembourg court denying Rumi's law suit would ensure that no further actions would be brought. But Commission officials yesterday thought further actions possible as a result of the legal arguments expressed by the court in its judgment.

Egypt government puts pressure on critics

BY ANTHONY McDERMOTT IN CAIRO

THE EGYPTIAN Government is bringing pressure on the signatories of three statements released since February criticising its policies. The aim is to prevent the emergence of what President Anwar Sadat fears might become a united opposition front.

In the most recent development, Dr. Mohammed Abdessalam Zayat, a former Deputy Prime Minister, was denied the return of his passport and awaits a summons from the Socialist Prosecutor ostensibly to answer for a critical book which is now confiscated.

But it is more probable that the questions will centre on the 60 or so signatories—a mixture of academics, lawyers, writers and former politicians, known unofficially as the National Coalition—to these statements and their contents.

Two other signatories have already been summoned before the Socialist Prosecutor. They are Dr. Aziz Sidqi, one of President Sadat's former Prime Ministers, and Dr. Mahmoud Qadi, an outspoken former member of the People's Assembly, who voted against the peace treaty with Israel.

The Socialist Prosecutor's role operates under "the law of Shame" — its real name — passed earlier this year. Penalties include the deprivation for five years of political rights, public office, work, and permission to leave the country, and internal exile and sequestration.

In theory, its aim is to protect the values, traditions and ethics of Egyptian life. In practice, its terms are so vague as to be employable against anyone who offends the Government.

Dr. Zayat, who has yet to see the Prosecutor, is a small, mild man, looking older than his 65 years as a result of a severe heart attack in 1978. He needs his passport to travel to London for his six-monthly check-up.

helped draft Egypt's first permanent constitution after Mr. Sadat succeeded President Nasser in 1970. He was appointed to control the Ministry of Information briefly in May 1971, when Mr. Sadat beat off a serious challenge from supporters of the previous régime.

On July 22 this year, a book written by Dr. Zayat entitled Studies and Speculation on the Permanent Constitution of 1971 was confiscated while awaiting completion at the printing house.

The book broadly concludes that that constitution has been violated. A minor emergency court confirmed that decision to seize the book.

On October 4, at 5 am, Dr. Zayat's house in western Cairo was surrounded by police carrying a warrant for seizure of the manuscript, which Dr. Zayat handed over.

The building was searched and several copies of the Coalition's statements, and Dr. Zayat's passport, taken. Dr. Zayat was then taken to the security headquarters of the Interior Ministry where he was held until 9.30 pm, when a two-hour inquest took place.

Since then, both Dr. Sidqi and Dr. Qadi have been arraigned before the Socialist Prosecutor, ostensibly on the basis of critical interviews given to newspapers in the United Arab Emirates and Kuwait. But again they were questioned on the Coalition.

Four days ago Dr. Zayat's lawyer went to the Security Prosecutor to ask for the passport back. This was refused.

Grandiose farewell for Kosygin

BY DAVID SATTER IN MOSCOW

THE SOVIET UNION yesterday bade farewell to Mr. Alexei Kosygin, the former Soviet Prime Minister, in a grandiose ceremony in Red Square.

Tight security blanketed central Moscow for the funeral, emptying the streets and reflecting the remoteness of the present Soviet leaders. There was no show of public emotion over Mr. Kosygin's death.

Only those with special passes were allowed into the Square to attend the funeral, which began with Soviet military officers bearing giant wreaths and Mr. Kosygin's state decorations past a column of soldiers.

They were followed by an armoured scout car drawing a gun-carriage with a black urn containing the ashes of Mr. Kosygin who had been cremated during the night after lying in state the day before.

Mr. Kosygin was briefly eulogised by Mr. Nikolai Tikhonov, his successor as Prime Minister, who, in terms nearly identical to those of the official Soviet obituary, praised him as an economic organiser.

As Mr. Leonid Brezhnev, who celebrated his 74th birthday on Friday, looked on, other speakers paid tribute to Mr. Kosygin.

The urn containing Mr. Kosygin's ashes was carried to the Kremlin wall by Mr. Brezhnev, Mr. Tikhonov, 75, Mr. Andrei Kirilenko, 74, and Mr. Mikhail Suslov, 78.

The 40-minute ceremony ended with a military march-past, at which Mr. Brezhnev and his colleagues took the salute from the top of Lenin's Mausoleum.

Iran terms on hostages 'final'

BY TERRY POVEY IN TEHRAN

THE AMERICAN hostages in Iran will not be released until after Mr. Ronald Reagan takes over as U.S. President on January 20, a leading member of the dominant Islamic Republican party said here yesterday.

Dr. Hassan Ayat, who ran unsuccessfully for President in last January's elections, said Mr. Reagan would have to accept Iran's conditions "because he has no other choice."

He stressed that the terms spelled out at the beginning of this week were final. No changes would be made to them, he said. His views are thought to reflect accurately those of the party which is in bitter conflict with Iranian "liberals" led by President Abolhassan Bani-Sadr.

Prime Minister Mohammed Ali Rajai called in Monseigneur Annibale Bugnini, the Papal Nuncio, yesterday to complain about the Pope's Christmas appeal for the release of the hostages. The Nuncio was told that the Pope's statement was considered "irresponsible" by the Iranian Government.

The hostage issue, however, continues to take second place to the internal political struggle. Ayatollah Moussavi-Ardebili, the Prosecutor-General, narrowly escaped assassination in central Tehran yesterday when a bomb exploded just two yards from his car.

A group called Forqan, which has in the past claimed responsibility for attacks on leading clerics, said it had planted the bomb. Several people also suffered knife wounds when a radical Moslem group clashed with demonstrators shouting support for the "Party of God." Guards at the Ministry of National Guidance watched the fighting but did not intervene.

Footballers score in Italy court

By Rupert Cornwell in Rome

The dubious image of Italian league football received a welcome and largely unexpected Christmas boost yesterday with a court verdict clearing 38 of its leading players of all charges in connection with the bribery and match-fixing scandal which erupted earlier this year.

The decision by the Rome criminal tribunal was based on the judge's ruling that "no ground existed" for the accusation of fraud against the players on trial. As such it is seemingly in complete conflict with the findings of a Football Association disciplinary enquiry last summer, which not only banned 17 players for periods of up to six years, but forcibly relegated two top clubs, AC Milan and Lazio, into the second division.

The public prosecutor, who had sought a total of over 40 years jail for the accused, yesterday served notice that he intends to appeal against the mass acquittal. But assuming that this yields no results, pressure may mount on the association to lift some, or all, of the previously imposed bans.

Those barred and now cleared of any criminal wrongdoing include three former internationals, of whom the best known is Paolo Rossi, the 23-year-old, £3m-rated centre-forward of the national team. He was disqualified for two years.

The only punishment meted out by the court was a L300,000 (£140) fine and costs on Sig. Massimo Cruciani, a wholesale greengrocer. Sig. Cruciani set the entire scandal alight last winter by alleging that he had bribed certain players to throw key matches to enable him to make huge winnings on an illegal pools network.

The players, according to his account, took the money and then failed to fix the results. Sig. Cruciani then declared himself "a ruined man" and took his grievances to the authorities.

The round-up of Italian terrorist suspects was meanwhile continuing yesterday after the capture of two more wanted Red Brigade leaders in Turin at the weekend.

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West Germany's welcome for 'guest-workers' wears thin

BY KEVIN DONE IN FRANKFURT

HERR HELMUT SCHMIDT, the West German Chancellor, urged his audience to show "tolerance and solidarity" towards foreign workers in the Federal Republic at his last mass rally before the October election. But two days before the voters went to the polls he was too much the politician not to know in which direction the wind was blowing.

"We are not the labour exchange for the world," he told supporters in Frankfurt, the city which houses the highest concentration of foreigners in the country—every fourth Frankfurter is non-German.

The Government's latest figures show that the number of foreigners living in West Germany has jumped to a record level in recent months of 4.45m, or nearly 7 per cent of the population, surpassing the previous peak of 1974, even though the recruitment of foreign workers from outside the EEC was stopped as long ago as 1973.

As the economy teeters into recession and the number of unemployed crosses the politically sensitive 1m barrier, federal statistics also show that the number of foreigners holding jobs in West Germany has topped the 2m mark for the first time since September 1975.

FOREIGNERS IN WEST GERMANY
(in thousands)

	Sept. '79	Sept. '80	Change
Turks	1,268.3	1,462.4	+194.1
Yugoslavs	620.6	631.8	+11.2
Italians	594.4	617.9	+23.5
Spaniards	182.2	180.0	−2.2
Portuguese	109.8	112.3	+2.5
Greeks	296.8	297.5	+0.7
Others	1,071.7	1,151.4	+79.7
Total	4,143.8	4,453.3	+309.5

(Total West German population in 1979 : 63.1m)

Ever since around 1960 when it started to attract foreign workers into the country to oil the wheels of the booming economy, West Germany has unwittingly been sowing the seeds of future social and racial unrest.

It is only now becoming fully apparent, however, that the millions of foreigners drawn into the country in the 1960s and the early 1970s as a temporary reserve army for the over stretched labour market have little intention of leaving. As they bring in other family members and relatives, they have taken on all the appearance of permanent residents.

West Germany faces a formidable problem of social integration during the 1980s. The ghettos that have formed rapidly in the poorer quarters of the main cities — West Berlin's run-down Kreuzberg area, in the shadow of the Berlin Wall, is now virtually a Turkish buffer zone between East and West — bear open testimony to the barriers dividing the different communities.

Hostility to foreigners has occasionally expressed itself in attacks on the boarding houses of newly arrived refugees, and on foreigners' shops and lodgings. The worst incident this year was in Hamburg, when Molotov cocktails killed two people in a house being used by Vietnamese seeking political asylum in West Germany.

The hatred is expressed too in a steady stream of crude, abusive letters by cranks and fanatics, to politicians and newspapers. "How long can it go on? We are not the dustbin of the world," urged one letter to the Interior Ministry.

Such sentiments uneasily call up ghosts of recent German history and make some Germans at least question how far such acts are only the physical manifestation of emotions that are actually far more widespread.

The notion that the country was being swamped by uncontrolled immigration was certainly aroused earlier this year when the surge of "economic refugees" reached a peak. Thousands of people, chiefly from Turkey, the Indian sub-continent and African and Asian countries, sought to gain entrance by exploiting the liberal political asylum laws.

In the first 10 months of last year 30,000 people arrived at various border points—many at Frankfurt's international airport—seeking asylum. From January to October this year the number jumped to 100,000, reaching a peak in February and March, with 13,000 in each month. In Frankfurt as many as 90 would-be political refugees stepped off one aircraft.

Abuse of the political asylum system has inflamed West German emotions on the issue of foreigners, but it has also served to obscure the real problems that exist for the millions already living in the country. Many West Germans find it easy to make the foreigners in their midst a scape-goat for inner city problems of poor housing, rising crime and falling school standards.

The authorities are recognising that the most difficult issue to tackle is education. A quarter of the foreigners in the country are under 16. It is not unusual in inner city areas to find schools and classes where foreigners — with a variety of languages but none of them German — make up 50-70 per cent of the pupils.

Nearly 60 per cent of foreign pupils leave school without any examination qualifications and two-thirds take no job training.

It is a problem of which Herr Heinz Kühn, the government commissioner for foreigners, is well aware. "The resources we don't make available today for teachers and education, we will have to spend in a few years time on police and re-socialisation measures," he says.

The country is slowly realising that the foreign population in its midst is a permanent phenomenon. Some 78 per cent of the foreigners questioned in a recent Berlin survey had no intention of returning home. By last September over 50 per cent of the foreigners living in West Germany had been there for more than 10 years.

The low level of education and training means that most foreigners are only able to get the worst jobs. The more unpleasant and unsocial the work, the higher the percentage of foreigners doing it. Many of West Germany's industrial assembly lines and many of its municipal services could scarcely function without foreign workers.

Their jobs are also likely to be most vulnerable when the economy starts to turn down. A recent study by the German Economic Institute in Berlin showed that in the recession years of 1973-76 every fourth foreign worker and only every 25th West German worker lost his job.

There is a danger that West Germans increasingly look on their foreign neighbours as an inferior class. Lower educational standards do not necessarily mean that the children of foreign workers are the unemployed of tomorrow, says Herr Josef Stingl, president of the Federal Labour Office in Nuremberg. But "they are perhaps the proletariat of tomorrow . . . They will be employed when auxiliary workers are needed and then sacked again some time when they are not."

Last week Herr Stingl appealed to West Germans to show a greater understanding for foreign workers and their families. "For the foreseeable future our economy can hardly survive without them. They helped us when we needed them, now we cannot simply send them home."

West Germany has created for itself something of a social time-bomb by encouraging the growth of a large disadvantaged often disaffected class among its population. It is seen by some to be ticking away in the confused resentment of the Gastarbeiter (foreign worker) children.

Turkish women under instruction in a West Berlin factory.

HONG KONG MASS TRANSIT

Go-ahead for £585m extension

BY KEVIN RAFFERTY IN HONG KONG

THE HONG KONG Government has given tbe go-ahead for an extension of the Mass Transit Railway system oo Hong Kong Island at ao estimated cost of HKS 7bn (£585m).

Known as the Island Line, the 12.5 kilometre extension will run from tbe Western Market on the Hong Kong north shore to Chai Wan on the eastern part of the sbore. It will be part of a comprehensive passenger transport scheme, subject to the necessary financing arrangements, the Government said.

The statement said the intention was to complete the section from Admiralty Station to Chai Wan by mid-1985 and from Western Market to Admiralty by the end of 1986. A further extension to Kennedy Town would be built wben demand and financial considerations permitted.

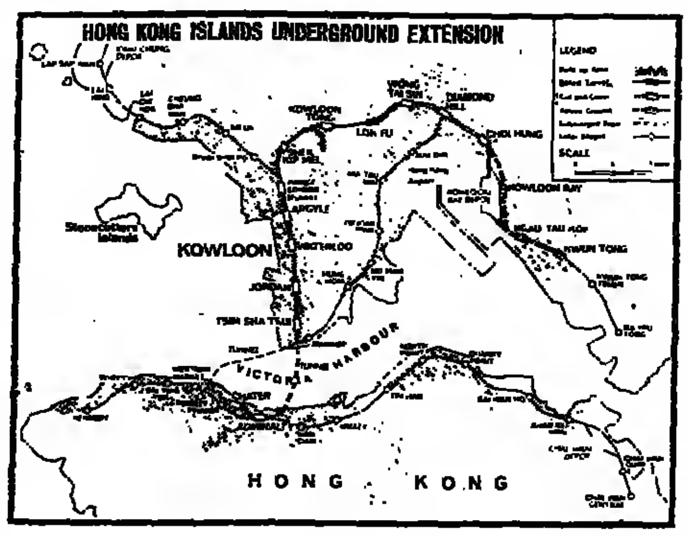
The Mass Transit Railway Corporation has been asked to build and operate the line and develop properties along the route in partnership with private companies. Profits from development of land along the route will make a major contribution to the cost of the project.

The hotly contested choice of a continuation of the fully fledged underground railway rather than a lighter super tramway system will offer big advantages to European contractors over their Japanese rivals in bidding for the work—provided, officials here stress, the Europeans can keep their prices competitive.

This is because European companies, particularly the British and the Frencb, have more experience at deep tunnelling which will be necessary, given the crowded and the craoped apace of Hong Kong island.

It would rause too much disruplion to everyday life lo build the railway by cut-and-cover methods, and instead, a tunnel will be bored undergrouod.

The exteoded line will be the most expensive of the sections of the mass transit so far undertaken. Some Government departments wanted a light rail system, in effect a glorified tramway, which would have beeo more than HK$1.5bn cheaper. The Mass Transil Cororation argued that a light rail could only be a slopgap arraogemeot and thal in 10 to 15 years, an underground would have to be built.



The decision about the funding will bave to be passed by Hong Koog's Legislative Council early next year.

Of the total HK$7bn cost, HK$5bo will be raised through the profits on property development or through equity, and tbe remaining HK$2bn is expected to come from syndicated bank loans.

Property developments alone will be extensive and the profits from them could be about HK$3bn. They will certainly make the Mass Transit Corporation one of the two biggest property developers in Hong Kong. Each of the stations aloog tbe route will be set about a kilometre apart.

Tbe lion's share of tbe civil and mechanical and electrical engineering work will go outside Hong Kong, as the Territory has few companies which can deal with such a projecl.

Officials also think that the extension, especially with its need for specialised tunnelling technology, will be too big for Japanese companies, giving opportunities to the Europeans.

Altogether, the civil engineering will he split into 11 contracts, each worth about £30m. The tenders on the civil side will go out late next year, and those for the electrical and mechanical work in 1982.

One of the arguments which won the day for tbe underground is thal it will be able to carry 1.2m passengers a day, whereas an ungraded tramway would only manage half that number. As it is, Hong Koog's trams are choked witb passengers who use them principally for short journeys.

Officials in Hong Kong point out that though it is expensive, the mass transit syslem will not only help to shorten journey times—the time from Chal Wan or crowded Shau Kei Wan will be reduced from "about" 90 minutes at the congested peak periods to 30 minutes.

Japan takes bigger slice of German car market

FLENSBURG — Japan almost doubled its share of the West German car market in the first 11 mooths of this year and lopped the foreign sales list for tbe first time, the Federal Road Transport Office said.

New car registratioos from January lo November showed Japan sold 234,669 cars, against 140,158 in the same period a year ago, while market share rose from 5.6 per cent to 10.3 per cent.

The share of the Freocb car industry, previously the foreign sales leader, shrank from 10.1 to 9.5 per cent, with sales at 216,106 cars—35,712 fewer than in the first 11 months of 1979.

Overall car sales were 2.29m down from 2.50m in the same period last year, but the foreign share increased from 24 to 27.9 per cent.

Of the domestic producers, only Daimler-Benz AG registered an increase, with sales at 234,655.

French import quotas set

PARIS — The French Government has announced import quotas for certain goods from South Korea and Hong Kong valid until December 31, 1981.

South Korea—Varlons radio recelvers: 200,000 units vatoed at FFr 40m (£3.2m); clothing other than in wool, cotton or synthetic and artificial fibres: FFr 400,000.

Hong Kong — Radio receivers: 172,000 units valued at FFr 20m; soya shoots: FFr 1.5m; knitwear goods other than in wool, cotton or synthetic and artificial fibres: FFr 380,000: AP-DJ.

Construction machinery finds a Singapore connection

BY PAUL CHEESERIGHT

JOE THORPE has just returned from Singapore with orders for £120,000 of construction machioery, not as much as he had hoped because the high pound is making selling more difficult and the competition from Japan is becoming more intense.

The machinery will not come from Mr. Thorpe's own company, Cheddar Valley Engineering, but it will be dispatched through a joint venture concern he has with a Singapore colleague, Cheddar Valley (Exports).

Cheddar Valley (Exports) acts as "European purchasing agents for overseas clientele." Or as Mr. Thorpe puts it "I've got a lot of contacts and they come to me and ask me to purchase things from them.

"We bring finance into the country. We take a bite and the people who make the goods take a bite."

Mr. Thorpe, indeed, sees the company as a mini private sector version of the Crown Agents, but, he adds, "I haven't scratched the surface yet."

Spare parts

Partly this is because the business is still an infant. Mr. Thorpe first started, almost by accident, when he went with a London Chamber of Commerce mission to Singapore in 1976, but mainly for the ride. It was then that he realised the friends he had made in a lifetime of travel as a construction engineer were the baais of a market.

He had worked in Malaysia, the Middle East and West Africa but, he says now, "I'm concentrating oo the Far East, on the machinery side. That's the place I know and that's where the money is."

In fact he will sell anything to anybody and has done, including two used Mini cars to Japan, sunblinds to a school in Burma and spare parts for elderly vehicles in Pakistan, tipped off by a contact in the country who told him what Government departments were looking for.

"Profit on exports is not at

this stage very high because I believe in developing slowly. If you try and get greedy, you cut your throat." Mr. Thorpe observes. He is very flexible on his commission rates, all of which are independently negotiated, but on an order of £10,000, he would probably expect to make about £750.

It is a very personal business. A customer will send a telex asking for say a used road roller. He will find out where one could be available, go and see it, try it, take photographs and find out the price.

When the customer has made a decision, he will work out shipping arrangements and costs, and let the customer know a final price, which includes his commission. When a bankers draft arrives he will go out, purchase the machine and send it off.

If goods are required quickly for a broken down machine, be throws this practice out of the window, personally goes to the sources of the spare parts and air freights them out to the customer, settling the finance later. His maxim is: "You don't only sell your commodity. You sell yourself."

But none of this business would he possible without Cheddar Valley Engineering, which had sales of £300,000 in the year to last July from its small Somerset factory. The company repairs and makes cage pallets, a trolley used to move goods around warehouses, especially in the food business.

The company had its origins in Mr. Thorpe's garage five years ago. He had been made redundant. He was 54 years old. He started to repair pallets, found the business growing and then had to find bigger premises. Now he employa 13 people.

He branched out into designing and manufacturing his own pallet, which has heen patented this year in the UK and the U.S. Sales have all been in this country so far, to supermarket chains. But through the British Overseas Trade Board, the Central Office of Information and the London Chamber of Commerce, Mr. Thorpe is starting to make the product known in Europe.

Convenien

Freight charges eliminate the possibility of sales too far away, so a survey of U.S. manufacturers of mechanical handling equipment is being made in the hope that it may be possible to arrange for the pallet to be made under licence.

Mr. Thorpe would also like to have the pallet made under licence in Singapore, a convenient move, which would dovetail neatly with the agenting business.

Germans see quality as key to success in U.S. market

BY LESLIE COLITT IN BERLIN

U.S. subsidiaries of West German companies are convinced that tbe quallty of their products is the main reason for their success in the local market followed by good customer service and technical competence.

These are virtually the same reasons given by other companies in West Germany for their own competitiveness in foreign markets, tbe results of a recent survey showed.

Marketing and prices are listed by the West German companies in the U.S. as being less important for success there.

The survey of West German companies operating in the south-eastern states, where some 350 of them are located, revealed tbe need to he close to the customer was the main reason these companles had established plants in the U.S.

The polilical and economical stability of the U.S. and the difficulty of exporting directly from West Germany because of the high value of the Deutschemark to the dollar was another important reason.

Only two West German companies in the U.S. said better labour relations there and the desire to avoid tariffs and other trade barriers were instrumental in setting up operations in the U.S. In the first half of this year, West German companies made nearly half their direct investment abroad in the U.S.

Among the German companies in the south east, balf said the main reason for choosing tbe area was the proximity to their markets wbile 28 per cent gave raw materials and energy supplies as important reasons.

Fifteen per cent said they were attracted by tbe area's infrastructure and 15 per cent mentioned an adequate labour supply, while 10 per cent mentioned the favourable social climate.

This was understood to mean a lack of strikes as only 5 per cent of tbe German companies in the southern States are unionised.

Nearly 80 per cent of the West German companies financed their U.S. plants, using company fuods, while 15 per cent obtained loans from the U.S. subsidiary of a German bank or their own "house bank" in West Germany. On average, it took a year of preparations before a German company could begin producing in the U.S.

Forty per cent of the West German compaoles said the productivity of their U.S. plants was as high as in West Germany, while 35 per cent said it was lower, and the rest maintained it was greater.

Seventy per cent replied that wage costs were below tbose in West Germany, but added that skilled workers and highly trained executives were "at least as expensive" as in West Germany.

Eighty per cent of West German companles surveyed said their expectations about the U.S. market had been fulfilled, while 20 per cent said they were exceeded, and only two companies replied they were disappointed.

Cementation wins £1.5m orders

BY OUR WORLD TRADE STAFF

OVERSEAS orders totalling £1.5m have been awarded to Cementation Ground Engineering, one of whicb is for ground ancbors in Jubail, Saudi Arabia, and one for structural guniting in Kamsar, Guinea, and a third for prospective drilling in West Irian, Indonesia.

All contracts are now in progress and are expected to run into 1981.

● Brush Power Equipment of Bridgend, a Hawker Siddeley company, has won a contract worth £1m to supply 23,000 quad spacer dampers to CVG Electrification del Caront in Veneznela. The space dampers are for use on the 800 kv Guri-la Horqueta transmission line associated with the Guri hydro-electric project in eastern Venezuela.

● Marley Floors has won an £800,000 order from Iraq for the supply of contract flooring. The contract to supply the State Estabilshment for Prefabricated Buildings was won in competition with other flooring manufacturers from the UK

● Simon-Carves of Stockport, a member of the Simon Engineering Company, has woo a £750,000 contract for grain handling plant awarded by the Kuwait Flour Mills. The company will design, supply and supervise the construction at Shuwalkh Port of a pneumatic unloader capable of discharging 30,000 dwt bulk carriers at a rate of 400 tonnes an hour.

● Pernas Sime Darby, a subsidiary of the UK company, has been appointed by the Ford Motor Company of Malaysia as a Ford franchised dealer in Malaysia. As a Ford dealer, Pernas Sime Darby will focus its activities in Penang, Pahang, Johor, Negeri Sembilan and East Malaysia.

Denmark says F16 costs double

COPENHAGEN — Mr. Poul Soegaard has denied reports that Denmark will have to postpone payment on the U.S.-built F-16 jet fighters for the Danisb Air Force, but confirmed that tbe aircraft now cost nearly twice the originally contracted price.

Inflation and the rising dollar rate alone had increased the price of 58 General Dynamics F-16s ordered, by 27.8 per cent over the past year alone.

There were no plans to defer payments on the aircraft in 1981 or 1982. An agreement had been worked out to "stretcb" the payments over a longer span than originally planned.

Air Force officials said the current price for the F-16s, of which only a couple bave heen delivered so far, came to about $13m (£5.4m) apiece, and that the total bill to be paid over seven years amounted to $7.5bn.

They warned, bowever, that the price was bound to rise further to make Denmark's share in the so-called "arms deal of the century" one of the heaviest burdens oo the national defence budget.

In a report to Parliament the Defence Minister said that be was now seeking an extra Kr 1.5bn (£100m) appropriation to cover expenses over and above tbe budgeted Kr 7.3bn for 1980. Thia alone means a 20 per cent defence budget increase, in additioo to the built-in increase over 1979.

The additional appropriation will bring the 1980 defence bill to Kr 8.8bn—considerably more than the Kr 8.1bn at present set aside for defence in the 1981 Finance Bill.

That figure, Ministry officials point out, was 12-13 per cent over the 1980 budget, hut prospects are that lhe actual defeoce spending in 1981 will be an additional 20 per cent higber, bringing the bill to Kr 10.8hn. AP

France-Quebec hydro deal

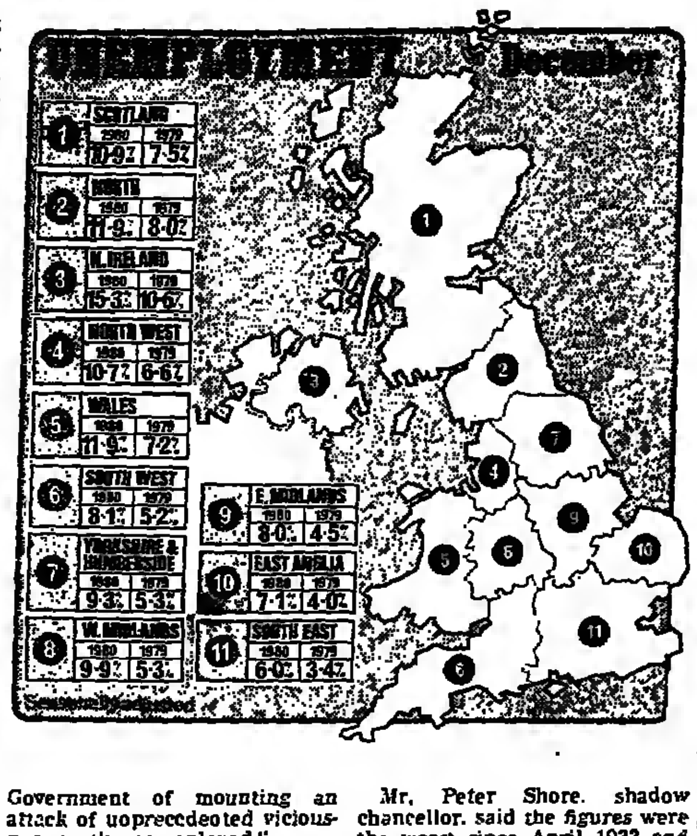
PARIS—Anvar, the French research agency, and tbe Elf-Aquitaine oil group have signed an agreement with Hydro-Quebec of Montreal for the development and the commercial exploitation of a new type of batteries and accumulators for the storage of electricity.

The project is based on a French discovery under which the liquid is replaced by a polymer-based solid electrolyte. Reuter

UK NEWS

Latest jobless figures anger union leaders

BY PAULINE CLARK, LABOUR STAFF



LEADING trade uninnists reacted to yesterday's unemployment figures with a bitter attack on the Government's policies and predictions that the number nut of work could rise to 3m by next Christmas.

Trade union leaders who are already planning a major demonstration in April to oppose the Government's economic strategy, said they would not slacken their demands for an industrial revival and an end to monetarist policies.

Mr. Len Murray, general secretary of the TUC, called on the Government to "ring down the curtain on their pantomime policies which are responsible for the disastrous unemployment figures."

"There is no genie in the Aladdin's lamp of monetarism to conjure up jobs for the 2½m registered unemployed — 900,000 more than last Christmas," he said.

Mrs. Thatcber, he said, should abandon "ber fairly tale world" and face up to reality.

secretary of the General and

Mr. David Basnett, general secretary of the General and Muoicipal Workers Union and chairman of the TUC economic committee, believed tbe outlook for employment next year was grim.

"Commentators like the OECD are now saying that unemployment will reach three million by 1982, hut already this is beginning to look like over-optimism."

"Mrs. Thatcher's Government knows that with the way things are going there will be another million out of work by Chirstmas 1981."

"We already bave all the evidence we need to convict the Government of mounting an attack of uoprecedeoted viciousness on the unemployed."

Mr. Basnett described recently-announced measures on help for the unemployed as "a cynical fraund." Increased spending on youth schemes was to be matched by cuts elsewhere in services for the unemployed, including the disabled, be said.

Mr. Jimmy Milne, general secretary of the Scottish TUC, said: "Mrs. Thatcher has given Scotland its most unwanted Cbristmas gift ever. In official figures, almost one in eight is unemployed."

Mr. Peter Shore, shadow chancellor, said the figures were the worst since April 1933 and there was no sign of an improvement in the new year. "This year's vast growth in unemployment is not due either to fate or to world circumstances. It is the direct consequence of Government policies," he said.

The Confederation of British Industry described the figures as "a tragic reflection of the severity of the recessioo." It called for a redoubled effort to improve profitability and the damaging effects of inflationary pay settlements.

Thatcher rejects worksharing proposal

BY LISA WOOD

SUGGESTIONS that worksharing measures could reduce unemploymeot were discounled yesterday by the Prime Minister.

Mrs. Margaret Thatcher was commenting on proposals in letters written by people in the North-East describing their lives on the dole. She said she sympathised with the predicameot of the unemployed.

However, in a letter to Mr. Ian Wrigglesworth, Labour MP for Thornaby, who presented the letters to her, she said evidence suggested that measures to spread the same amount of work among more people might have only a very marginal effect on employment while the cost of their introduction could often be "cripplingly high."

In fact, she said, "worksharing is often likely to raise costs, damage competitiveness and increase unemployment."

There could be cases, Mrs. Thatcher said, where changes would increase efficiency and fair allocation of work but the Government could not impose conditions on working time—an area which was a matter for negotiation

Docks board chairman picks his successor

By William Hall, Shipping Correspondent

MR. KEITH STEWART, deputy chairman of the British Transport Docks Board, has been picked to succeed Sir Humphrey Browne as chairman when he retires in October 1982.

The Government intends to sell off a 49 per cent stake in the docks board, to be renamed British Ports, next year, and in the run-up to the flotation the Government is anxious to maintaio the continunity of top management.

Under Sir Humphrey Browne, the docks board, which controls 19 ports accounting for a quarter of the country's trade, bas been particularly successful. Since he took over in 1971, trading profits have risen from £4.5m to £27m.

However, Sir Humphrey is nearly 70 and his appointment as chairman expires next spring. He has agreed to continue as chairman for another 18 months and with the Government's blessing has picked his successor.

China's TV choice

CHINESE TELEVISION has bonght the BBC's TV Shakespeare and, for the first time, children's hallet and music programmes, the corporation said yesterday.

Harland in talks

HARLAND AND WOLFF, the state-owned Belfast shipyard, may win an order worth abont £50m for two coal-carrying bulk carriers from Greece. An unnamed shipowner has been negotiating with the company.

Foot in hospital

MR. MICHAEL FOOT is likely to have to spend Christmas in hospital because of an eye infection. The Labour leader, who is 67, was taken into the Royal Free Hospital In Hampstead on Mooday night. He is undergoing tests.

Bumper post

BY CHRISTMAS DAY, the Post Office says it will have handled 1bn festive cards, letters and parcels.

BP group awarded bigger share of oil in North Sea Ninian Field

BY RAY DAFTER, ENERGY EDITOR

BRITISH Petroleum, London and Scottish Marine Oil and Ranger Oil (UK) have been awarded a greater share of the reserves in the North Sea Ninian Field as a result of latest reservoir data.

Ninian, one of the biggest fields in the North Sea with 1.1bn harrels of recoverable oil and gas liquids, is shared by two offshore consortia: the Chevron group in block 3/3 and the BP Petroleum Developmeot group in block 3/8.

Chevron, as operator for the field, said yesterday that as a result of data obtained during the development of the reservoir the distribution of oil between the two consortia bad been reassessed.

As a result the BP group's share has been increased from 25.96 per cent to 30.89 per cent while the Chevron consortium's share has dropped from 74.04 per cent to 69.11 per cent. The reassessment virtually restores the original balance of 1974 when it was estimated that 70 per cent of the field was contained in Chevron's block 3/3.

In January 1979, the Chevron group's share was increased as a result of the first phase of drilling. The latest assessment is the result of information gained from 33 development wells and eight appraisal wells.

As a result of the new estimates BP, LASMO and Ranger will bear a higher proportion of the overall development costs—estimated at $4bn (£1.7bn)—and operating expenses, but they will lift a correspondingly higher proportion of the oil produced.

A further review is scheduled in two years' time. By then the field's peak prodnction of 325,000 barrels a day will have been established

The amended percentage interest in Ninian for each of the participants are:

BP Group (block 3/8)—BP 15.446 per cent (from 12.98 per cent). London and Scottish Marine Oil 9.267 per cent (from 7.788 per cent), and Ranger Oil 6.178 per cent (5.192 per cent).

Chevron Group (block 3/3)—British National Oil Corporation 20.733 per cent (22.212 per cent), ICI Petroleum 17.968 per cent (19.25 per cent), Chevron Petroleum 16.586 per cent (17.77 per cent), Murphy Petroleum 6.911 per cent (7.404 per cent), and Ocean Exploration Company 6.911 per cent (7.404 per cent).

Coin Street site subject of new plan

By Michael Cassell

FURTHER PROPOSALS for a £150m scheme to redevelop part of Londoo's South Bank have been put forward by Greycoat Commercial Estates.

The plan envisages a mix nf offices, shops, leisure facilities, industrial space and housiog on about 16 acres at Coin Street owned by the developmeot company and the Greater London Council.

Greycoat Commercial was set up joiotly by Greycoat London Estates and Commercial Properties when their separate planning submissions for redeveloping the area were rejected tbis year by Mr. Michael Heseltine, Environment Secretary, after a 70-day public inquiry.

The new company's applications take accoout of the Minister's comments at the time of his decision and follow consultations with tbe GLC.

The plans were described as "bold and imaginative" by the Royal Fine Art Commission, which says the scheme is appropriate for the site. The plans have not been submitted officially to tbe GLC, although support for them seems likely.

Manufacturers list UK-assembled cars

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

A LIST of cars which are at least assembled in the UK has heen drawn up by the Society of Motor Manufacturers.

It has had requests from local outhorities, trade unions and companies to define cars that can be classified as "British."

The society said yesterday there is a legal requirement that the country of origin be displayed on windscreens in car showrooms.

"But many dealers do not follow the law."

It said: "The only way of being certain of the origin of tbe car is to look at a plate usually situated in the engine compartments."

But, organisations wanting to buy British could well be even more confused if they dig a little deeper than simply looking at where the car is assembled.

For example, the UK-assembled Vauxhall Carlton has mainly German components, a Belgium-built Austin Mini or Allegro will first have been exported in kit form to the Continent.

However, the manufacturers' table showing where models might be assembled is as follows:

Ford: Fiesta, Britain or Spain. Escort XR3 and Ghia, Germany. Other Escorts, Britain. Cortina four-door and estate, Britain or Ireland. Cortina two-door, Belgium. Capri, Germany. Granada, Germany. Mustang, North America.

Talbot: Sunbeam, Britain. Avenger, Britain. Horizon, France. Alpine, Britain or France. Solara, Britain. Rancho, France.

Vauxhall: Chevette, Britain. Astra, Germany. Cavalier, Britain or Belginm. Viceroy, Germany. Carlton, Britain. Royale, Germany.

BL: Mini, Britain or Belgium. Allegro, Britain or Belgium. Rest of range, Britain.

Other "British" cars included AC, Aston Martin, Bentley, Bristol, Caterham Super Seven, Lagonda, Lotus, Morgan, Panther, Reliant, Rolls-Royce, and TVR.

● More than a dozen employees at the Dunlop tyre depot, are to lose their jobs as part of a plan to reduce tbe number of depots throughout the country. The Ipswich depot, on the Hadleigh road industrial estate, is expected to close in March.

Dunlop said almost 100 people throughout the country will lose their jobs.

● Four workers have shared special award money of more than £2,500 for bright ideas that can save their firm up to £30,000.

The men all work for Lucas CAV at Sudbury, Suffolk, and their ideas were all designed to improve productivity.

Sharing the awards are Mr. Victor Pilgrim, Mr. Victor Porter, Mr. Roy Fisber, and Mr. Roy Everett.

Paper industry job losses 'now 8,500

By William Hall

MORE THAN a fifth of Bri paper and board ma capacity has been closed year, and more than 8,500 lost, according to figures the British Paper and B Industry Federation.

In a message to its mem the federation says that it 1980 with a "tremen sense of frustration and Insionment." It blames Gov ment policies of high exch and inflation rates, and ex sive energy costs, for problems.

During the last 12 month mills have closed and 43 p and board machines have shot. In the previous year, paper and board mills closed. At the height of last recessinn in 1975, four and 20 machines were close

Because fo the cutbacks capacity, imports have from less than half to 57 cent of the UK market, domestic production in Oct was down 21 per cent on previous year.

Mr. John Adams, the dire general of tbe federation, "We've seen everybody Government we can to exp the problems, from the P Minister downwards, but got nowhere."

The industry believes that Government is not doing eno to reduce energy prices an annoyed that it has made fur concession on duty free qu with EFTA countries.

The downturn in the pa and board industry bas very sharp. For the first months of 1980, UK consu tion was 8.5 per cent lower in the same period in 1979. ports fell by 6 per cent.

However, in October, consu tion was down 12 per c domestic production was 21 cent down, and imports only per ceot lower than in Octo last year.

UK consumption in 1980 is pected to be just below tonnes. This would be tbe lov figure since 1975. UK prod tion is expected to fall to 3 tonnes. The industry compr 125 mills and 360 machines, employs 44,500 people.

The industry says its costs high and increasing at a fa rate than in most compet countries. The strength sterling has made the UK m ket "bighly attractive" to porters who thereby gain a per cent price advantage. Adams says that much of industry is now facing a "g battle for survival." It will s vive but will be a "little smal thao it is today."

Redland disposes of venture with a chequered history

THE SALE by Redland of its waste transport and disposal business brings to an end a centure which heaped equal proportions of disappointment and controversy on its owners.

But for GKN which in conjunction with the Australian grnup Brambles Industries, is paying £20m for Redland Purle, the deal represents a major expansion in an area which it believes will afford the chance of considerable growth in the future.

The Redland Purle venture becomes the third subsidiary in GKN's Industrial Services division, which is a loose amalgam of activities categorised as services.

The other two are GKN Mills, a long-established part of GKN which carries out contract hire and sales of scaffolding and other plant and equipment to tha building industry, and GKN Chep, which operates a pallet hire pool in the UK and on the Continent.

GKN Chep is owned 70 per cent by GKN and 30 per cent by Brambles Industries.

The acquisition of 50 per cent of Redland Purle will bring the turnover of the Industrial Services divisioo up to about £85m.

The strategic importance of tbe division, however, lies not in turnover — which is small when set in the context of group sales totalling nearly £2bn last year—but in the fact that it has been designated as one of GKN's three growth sectors.

The other two are components manufacturing, representing GKN's traditional interests; and distribution, where the group already had the core interests of steel stockholding and fasteners, and to which has been added the distribution of automotive parts and hardware.

GKN is pleased with the progress of industrial services, which is in sharp contrast to the severely depressed manufacturing activities that still comprise the bulk of the group, namely automotive components and steel.

GKN pre-tax profits slumped from £53m to £22m in the first half of 1980, and full year profits could present an even greater shock.

The group believes It is buying Redland Purle at a time when its profitability has been convincingly restored by the present management. Profit is estimated at £3m-£3.5m on sales of £28m.

Mr. Basil Woods, GKN director responsible for the purchase, says there is plenty of scope for development of the transport and disposal of industrial waste in the UK, and expects that Brambles will be able to offer technological help based on its experience in the industry in Australia.

If Redland Purle, to be known as Cleanaway, succeeds in winning market share from the competition in the UK, the aim will be to expand geographically.

Redland Purle, however, has had a chequered history and it will be for GKN to prove that the profit recovery is solidly based.

The decision by Redland in late 1971 to make a bid for Purle Brothers Holdings, a "glamour" stock operation

● **News Analysis:**
Michael Cassell and Hazel Duffy examine the sale of Redland Purle

which has been built up and turned into a public company by Mr. Tony Morgan, provoked criticism and controversy.

When the offer was finally made, Ready Mixed Concrete intervened to say it thought the price being paid was too high and promptly put in its own bid for Redland.

Tha offer was conditional upon Redland dropping its plans to acquire the waste disposal group.

In a highly charged atmosphere, Redland called an extraordinary general meeting and asked shareholders to vote for an increase in share capital in preparation for a Purle bid.

The Ready Mixed Concrete was decisively rejected and RMC withdraw to let Redland make a £16.8m offer for the 94 per cent of Purle shares which it did not already own.

While RMC lost the day, its suggestion that too high a price was being paid for Purl fonnd widespread support. But any misgivings among the Redland board were suppressed as it was the takeover could lead the company back into the arms of RMC.

The deal went through and Mr. Colin Corness, chairman and chief executive of Redland, claims that whatever hea aches the acquisition sub quently inflicted upon group, shareholders have far much better than they wou have done with RMC.

Redland found itself with per cent control of the large waste transport and dispos operation in the UK and s the business neatly complemen ing its existing operations.

In extracting huge volum of clay and concrete aggrega from sites around the count Redland believed that owne ship of a business which con fill up the holes made soun financial sense.

The industrial logic weaken however, in the wake of catalogue of problems whi centred on environment objections to some of its oper tions, difficulties in obtaini planning permission for tippi and ground conditions whi made some of its sites suitable for the dumping toxic wastes.

The problems of its large site at Pitsea in Esse encapsulated the difficulti encountered by Redland's wast disposal operations, with loc councils and residents objec ing to the dumping of othe people's toxic waste on the doorstep.

The site, of about 2,000 acre has full planning permissio for disposal purposes and one of eight major dumpin grounds which the compan operates in the UK.

There are also severa smaller sites owned by th Purle operation, which employ about 1,100 in a network o depots stretching to Norther Ireland and handling industria and domestic waste.

Mr. Corness said: "We per haps over-estimated the degree to which we could combine th business of making holes and then filling them in with indus trial and domestic waste."

But with many of the opera tional problems sorted out and with Redland Purle achieving an acceptable return on invest ment for the first time since its acquisition, Redland does not see a bright future in the waste disposal market, a view clearly not shared by the new owners.

Mr. Corness believes that names like London Brick, Amey Roadstone, Wimpey and Tunney Hoildings are all competing in a market which offers static or even shrinking business in the wake of zero population growth and industrial decline. Squeezed profits, he says, would seem inevitable.

Retailers experience bleak period in spite of spending

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A LAST-MINUTE surge in consumer spending in the shops was reported by retailers across the country yesterday. But the late spending spree, widely forecast by retailers, is still unlikely to mean any real growth in volume sales this Christmas.

Mr. Richard Weir, director of the Retail Consortium, said yesterday that the "Christmas trade this year won't be a disaster—but it won't be all that good either at the end of the day."

Mr. Weir expects the total value of sales this Christmas to be up, in line with inflation, but the volume is likely to be the same or slightly lower than last year.

The surge in sales started to show late last week and accelerated on Saturday, according to several retailers yesterday. Mr. Roy Stephens, Selfridges' chief executive, said that last Saturday was "a tremendous day for us with sales up by 26 per cent" after a slow start resulting from bad weather.

The John Lewis Partnership of department stores reported sales of £14m last Saturday in its 18 stores compared with £12m last year. The Argos discount chain said its sales were £10m last week compared with £7.5m in the corresponding week last year.

Mr. Roy Burgess, managing director of British Home Stores, said the late spending spree "was the normal pattern for this type of Christmas." Because Christmas Day falls on a Thursday this year, retailers expected a late surge in the three days of Christmas week.

It is also clear that many workers' long Christmas holidays, which started on Monday of this week, also led to an increase in the number of shoppers.

Trade in the North of England and Scotland appears buoyant, according to retailers yesterday, in spite of the recession in these areas.

Trade seems busier in local shopping centres rather than in central London. Mr. Weir said that "retailers have been a little disappointed in London, although other areas have been very busy."

Harrods, however, said it was "very busy" yesterday.

Food chains such as Tesco said demand was heavier this week as consumers stocked up for the break. Tesco and many other supermarket chains will be shut from tonight until next Monday.

The toy trade looks likely to have had a fairly bleak Christmas. Although some stores have sold out of most of their stocks, many others still have substantial stocks left. Electronic toys in particular have not sold as well as had been hoped.

Overall, retailers report that most shoppers chose practical gifts and shopped around for the best price. "We've all moved back into selling classic style merchandise," says Mr. Burgess of BHS.

The main worry facing retailers is that heavy price-cuts offered by many retailers before Christmas will lessen the traditional impact of the January sales, which in many cases are starting on Saturday, much earlier than is usual.

However, it appears that this Christmas will be a record one for Christmas-card sales. According to the Greeting Card and Calendar Association card sales are expected to top 1bn for the first time.

Season of tinsel and gingerbread shows a surplus

BY ELAINE WILLIAMS

IF THE balance of payments was measured in tinsel and gingerbread, the current season would go down as one of the whackiest, hissingest, most be-sequinned Christmasses on record. After a year of dole queues and recession, Britain is abandoning itself to the arms of Cinderella and the charms of Puss In Boots.

No matter that money is short or retailers are crying. In pantomimeland, all is bright and glittery and optimism abounds that takings will be high.

The Christmas pantomime season, together with summertime holiday shows, can be of make-or-break importance to a lot of theatre managements, which is why producers and impresarios are chuckling with glee at the thought of joining Cinderella at the ball.

Panto, brief though its reign, is also an employment high spot for the resting hordes of Equity, the actors' trade union, whose members this Christmas will earn anything from the newly negotiated minimum of £71 weekly to the large (if undisclosed) percentages enjoyed by the stars.

"For 12 performances weekly they get £71 for a small panto and £85 for a large," said an Equity spokes-genie. "But those are minimums, dear—the stars do rather better. Have we noticed any trends, dear? It's a little early to say, but there's a significant increase in local authority involvement in panto this year, either in direct funds or guarantees against loss."

Eleanor Bron at the Lyric as Goody Biddy Bean, a fairy.

The carpet of Christmas shows stretches from Aberdeen and Aldershot to Bexhill and Borehem Wood, from the Theatre Royal, St. Helens, to the Forum in Wythenshawe.

The current issue of The Stage lists 125 pantomimes and other shows, though that is only a sprinkling of the total. Fashions hardly change. Of the Christmas shows listed, the most popular, by far, are Cinderella (19 productions), Aladdin (16), Mother Goose (12), Jack and the Beanstalk (10) and Dick Whittington (9).

At the London Palladium, Stoll Moss Theatres, part of Lord Lew Grade's hard-pressed Associated Communications Corporation, has spent more than £350,000 on a sumptuous Dick Whittington starring Jim Davidson and Mollie Sugden. It will run for 14 weeks and has already taken bookings worth £500,000.

According to the Palladium: "People aren't going to panto any more because it's panto. They're looking for value, which is why our top price is £7.50. For us, putting on a panto is equivalent to staging a full-scale musical with a limited run."

The pay-off in the provinces can be high. Two years ago the Palladium staged Aladdin with Danny La Rue. It did well enough in London and has now been transferred to the Hippodrome in Bristol where it will run for 12 to 14 weeks and has taken an "astronomical" £400,000.

Of the £350,000 spent on the Palladium's Whittington, more than £100,000 was spent on scenery, even more on costumes, with the remainder for rehearsals, orchestration, wages, etc.

The Bristol show, a replica of the Palladium original, is costing £100,000 to mount.

At the Lyric in Hammersmith, Eleanor Bron and Alison Steadman are the stars in an already-celebrated production of The Amusing Spectacle of Cinderella and Her Naughty-Naughty Sisters which has warmed the London critics' stony hearts, cost £65,000 to produce and will run for 56 performances.

Originally the Lyric was hoping for audience occupancy rates of 75 per cent, but the show looks set to top 80 per cent, producing a hoped-for gross profit of £10,000-£15,000.

Other Christmas shows in London include Toad of Toad Hall (Old Vic), The Incredible Vanishing (a "slime-packed panto" about goblins and mouldy cabbages and nasty things like that which has already performed in schools and is running at the Half Moon, London, E1, for 10 performances), Joseph and the Amazing Technicolor Dreamcoat, whose charms never dim (Vaudeville), The Gingerbread Man (Westminster), Robin Hood (Theatre Royal, Stratford East), and Hiawatha (Olivier Theatre) National Theatre.

Late drinks buying spree still leaves trade flat

BY GARETH GRIFFITHS

MANY BRANDS of wines and spirits are likely to disappear from the shop shelves by the end of today because of a sudden surge in demand and low stocks held by retailers.

Customers have bought either expensive premium brands or heavily-promoted own-brands and the middle price range of drinks has borne the brunt of the squeeze on spending. Retailers say customers have sought value for money in either quantity or quality.

Nevertheless, the last-minute rush has failed to boost flagging drinks sales this year and the drinks industry is reconciled to a poor Christmas.

Retailers last year were left in many cases with high stock levels after Christmas over ordering. This year they have adopted a more cautious aproach running down stocks to a minimum. Suppliers had warned from the early autumn that as a result, if there was a last minute surge in sales, shortages could occur.

Uncertainty among retailers about the level of demand has meant many shops now expect to run out of various brands before the end of Christmas Eve shopping. However, retailers say this will prove to be less damaging than in previous years because consumers are now more interested in value for money than brand name and loyalty and are therefore more willing to switch brands.

Aggressive pricing and hard-hitting promotional campaigns by such groups as Asda and Tesco have meant their sales are doing much better than the specialist off-licences.

Asda, for example, has sold a C and J McDonald whisky produced by Arthur Bell and Son for £4.89 a bottle. Asda reports its sales have been high for the past six weeks due to very keen pricing.

The Christmas drinks buying spree materialised much later than expected this year with stores reporting that consumers have been buying substantial Christmas stocks only since Friday.

Victoria Wines, an Allied Breweries subsidiary with 940 outlets started to move upwards on Thursday. Sales throughout November and the first few days of December had gone well, reaching almost last year's level but then suddenly slumped without reason. The upturn did not occur until last week.

The Christmas season traditionally has been the best time of the year for sales of wines and spirits. Normally, about 27 per cent of wines and 30 per cent of spirits are sold in November and December, highlighting the dependence of the trade on the Christmas run-up.

Liqueurs are even more dependent on the holiday season. More than half the annual total sales of liqueurs such as cherry brandy and creme de menthe are made during the Christmas period.

Drink manufacturers have reconciled themselves to a poor Christmas ending a poor year. But consumption has probably fallen less than the sales figures indicate because consumers are able to store drinks, such as canned beer, and there is now often a delayed time-lag between sales and consumption which complicates the true position.

ICI plans to cut jobs at London headquarters

BY SUE CAMERON, CHEMICALS CORRESPONDENT

IMPERIAL CHEMICAL Industries is planning to slash its headquarters costs by up to 25 per cent. About 200 jobs are expected to go at the group's London offices in Millbank.

The move follows the announcement earlier this year of ICI's first ever pre-tax loss of £10m for the July-September period.

This year, ICI has cut its total UK workforce by more than 4,600 from about 87,000. Job losses next year will be far higher.

The group has already announced that some 4,300 jobs are to go at its troubled fibres and petrochemicals divisions. Further job cuts are to be made in its plastics division.

The axe is now being wielded at the company headquarters which employs a total of 2,500 people. There are 1,200 at ICI's Millbank offices. The others are at the company's central management services department and laboratories in Cheshire and at a laboratory in Devon.

The London office is expected to bear the brunt of the planned cuts in costs of between 15 per cent and 25 per cent.

The company yesterday refused to give a firm figure for the total job losses being planned. However, it said that the cuts would be made over the next three years and that the workforce would be reduced through natural wastage, retirements and redeployment rather than through enforced redundancies.

The group is considering cutting its donations to charity and reducing the amount it spends on the printed word—letters, memos, reports and glossy literature about the company. Last year, ICI donated £0.8m—more than half of it to higher education institutions, particularly the science departments of British universities.

With profits falling and "no immediate prospect of an improvement in trading conditions," ICI now seems to be taking the line that charity begins at home.

Like the rest of the chemical industry, the group has been hit hard by the general recession, the strength of the pound, high interest rates, high energy costs and an influx of low-priced chemical imports from the US. Its petrochemicals, fibres and plastics businesses have been worst affected.

The seven unions that represent ICI's 44,000 blue collar workers have instructed their members to start a ban on overtime from January 19 in protest against the job cuts being planned in the group's fibres and petrochemicals divisions.

UK NEWS – LABOUR

Marsh warns of grim future for Fleet Street

BY JOHN LLOYD, LABOUR CORRESPONDENT

A GRIM forecast for Britain's national Press has been made by Sir Richard Marsh, chairman of the Newspaper Publishers Association, in a letter to print unions.

Sir Richard talks of unparalleled problems, and says "Fleet Street is in very serious trouble indeed."

His letter was sent earlier this month to Mr. Bill Myles, general officer of the Society of Graphical and Allied Trades, who is leading the union side in negotiations for next year's wage settlement.

The association has offered a 5 per cent wage increase conditional on securing a new disciplinary procedure. The unions are claiming about 15 per cent and have rejected the disciplinary clause.

Sir Richard writes: "If your claim was granted most of the national titles would go under within a year ... the fact is that national newspaper revenues are declining while costs are soaring."

An association survey shows that its members, which include most national newspapers, project a decline in advertising revenue of 14 per cent for the first six months of 1981, compared with the same period in 1980.

Sir Richard says any attempt to make up the shortfall in advertising revenue by increasing cover prices would be counter-productive. "This panacea is no longer a solution to the problem."

Newsprint prices had increased by more than 10 per cent from October 1 this year, creating a national newspaper bill of £200m per annum. The price of newsprint—most of which is imported—has been kept relatively low because of the pound's strength, but Sir Richard forecasts a hefty rise "when the pound falls, as is likely, to a more realistic value of $2.20 to the pound."

The letter says avearge earnings in the industry stood, in October 1980, at £220 a week. The skiled average then stood at £308 a week, and for semi-skilled, at £178 a week.

Unofficial stoppages in the past year had resulted in the loss of 77m copies of national newspapers at a loss of £6.8m. "The need to introduce a control clause into our national agreement is obvious. Without such a clause long experience has shown there can be no reliance on established national agreements."

Sir Richard says the forecast minimum capital expenditure by NPA members over the next two years (excluding Times Newspapers and the Express Group) would be £69m. Monetary increases in all other costs in 1981 over 1980, excluding wages and newsprint, would be £25m.

Sir Richard's letter, which is a much tougher restatement of a letter sent to the unions in October by the NPA's director, Mr. John LePage, says: "We have stressed not only that the industry is currently trading at a substantial loss, but that 1981 will accentuate the problems we now have."

Tinplate workers may take legal action on jobs

BY ROBIN REEVES

WORKERS AT the British Steel Corporation's Velindre tinplate works, Swansea, are considering taking legal action against the corporation over the 1,095 planned redundancies at the plant. The job losses form part of the corporation's latest survival package.

The workers' move, under the 1975 Employment Act, would be aimed at requiring the corporation to disclose the alternative schemes which it says it considered but rejected for work-sharing in the tinplate group.

The move follows a meeting between Velindre trade unions leaders and corporation management this week at which Mr. John Sowerbutts, director of BSC tinplates, admitted that alternatives had been looked at but refused to disclose figures and costings.

Mr. Dennis Jenkins, the works council chairman, said afterwards: "We think the arguments being put forward for job losses here are so flimsy they are hardly worth examination."

As things stand, Velindre is due to bear the brunt of the cuts in tinplate employment. The MacGregor plan envisages the works going down to effectively one-shift working.

Besides the loss of more than 1,000 production jobs it also proposes nearly 500 redundancies among management staff at both Velindre and the neighbouring Trostre plant at Llanelli.

Ebbw Vale is also due to lose more than 1,000 jobs but the majority are proposed in white-collar rather than production sections.

According to union sources, the corporation is forecasting a tinplate demand over the coming year which will justify the utilisation of only 80 per cent tinplate capacity.

Full-time union officials covering the three tinplate plants have also put forward an alternative economy scheme. This, they insist, would be cheaper, not least because it would involve fewer severance payments, and more efficient than the corporation's proposal.

COMPANY NOTICES

BR defers appeal for aid increase

By Philip Bassett, Labour Staff

BRITISH RAIL has decided to defer until the New Year an appeal to the Government for increased financial aid for the railway industry although it has nearly secured agreement from its three unions to its terms for a joint approach.

BR's largest union, the National Union of Railwaymen, yesterday asked for a small number of changes in the wording of the invitation BR has proposed to Mr. Norman Fowler, Transport Minister, asking him to attend a meeting of the BR Council, the highest-level consultative body, to discuss the industry's financing.

The white-collar Transport Salaried Staffs' Association has aproved the terms, as has the train drivers' union ASLEF, though it has made it clear that it views the mention in BR's letter of the productivity changes the board wants as a BR decision rather than an agreement with the unions.

Senior BR officials are now to consider not just when, but whether, to send the invitation at all. The problem is not just that ASLEF in particular has not lifted the threat of official but unspecified industrial action next month, but the likelihood of unofficial action on the Southern Region.

BR is concerned that an approach to the Government to raise next year's external financing limit from £920m to something like BR's original needs estimate of its EFL of £972m could be jeopardised by strong public reaction to unofficial ASLEF stoppages.

ASLEF headquarters officials are understood to be making efforts to defuse any action, which is being threatened from January 5, the day revised schedules for the Charing Cross-Hastings line come into operation.

Some train drivers in the region are worried that the revised schedules are the first of a wave of cuts.

Ferries escape seamen's action on pay

By Our Labour Staff

INDUSTRIAL action by seamen over a pay dispute remained limited yesterday with ferry services free of disruption and only a small number of cargo boats prevented from sailing.

Four small cargo ships were stranded in ports on the North East coast after local decisions by crews to take industrial action. The Port of Liverpool also reported two ships delayed including the 20,000-tonne container ship, the Manchester Reward.

The General Council of British Shipping said that of the 1,200 ships in the British merchant fleet, up to 300 had sailed out of ports on schedule over the past few days in spite of the pay dispute between employers and the National Union of Seamen.

The union has rejected a 105 per cent pay offer and authorised branches to consider local forms of action. But members in all the main ferry ports have delayed a decision until the New Year to avoid disrupting Christmas holidays.

Officials of the Merseyside branch of the union warned yesterday that "guerrilla" action could be stepped up to affect more cargo ships over Christmas.

Ecclestone elected by journalists

MR. JACOB ECCLESTONE, aged 41, has been elected deputy general secretary of the 32,500-strong National Union of Journalists. Mr. Ecclestone, of Times Newspapers, received 3,788 votes in the ballot. Mr. Bob Norris, the present assistant secretary, was second with 3,531 votes.

Consider the lilies . . . how they grow

GARDENS TODAY

BY ROBIN LANE FOX

I SUPPOSE that every year I look round for a garden which has some connection with Christmas. This is one week in which you will pay not the slightest attention to any suggestions I make unless they concern the care of Christmas pot-plants and ways of stopping those flowering azaleas from dropping their leaves by New Year's Day.

Neither is my strong point, so I will take the chance of recalling the garden scene which has impressed me most this year and which, for once, has a link with the Christmas season.

It is not a living garden at all. It is a painter's idea of one, but as landscape gardeners have often responded to painters' ways of seeing landscape, I will set my painting beside two garden tastes which have been growing on me all year. They may set you thinking of changes and improvements, however small your piece of ground.

By now, scenes of the annunciation in paint may strike you as rather predictable. A colonnade, a Madonna lily and a Virgin who looks quite taken aback by the risk that the angel in front of her will hit its head on the pillars when it gets up from its curtsey: you can move these pieces round in your mind and conjure up their uses by any of the Italian Masters of the 15th and 16th century.

Perhaps even a Fra Angelico Annunciation seems too serene and obvious, a harmony of violet blue and that particular pink which you otherwise find only in daphnes or old-fashioned roses. And it may be that you only know the version which was painted by his school on the walls of Florence's San Marco Convent. If so, I suggest that next year, you go further south to the Tuscan hill-town of Cortona.

Cortona is one of those sites which remind you how physically fit the ancient Etruscans must have kept. The walk up to its gate would exhaust most modern land-owners, but the reward is a view across the best plain in Tuscany and a small town-plan which no modern builder has interrupted. Above it stands the fortress built by the Medici whose deep selling of cypress and sweet chestnut would do any landscape planner credit. It is time we took the Castanea, or Mediterranean chestnut, more seriously as a specimen tree.

I could say much, too, about the flowering ivy all over this castle's lower approach walls, a mass of bees and butterflies on the wax-green heads of flower which we ignore on this country's ivy. But my interest, this week, lies in the city's diocesan museum, site of the finest annunciation, even in Italy.

I would doubt if Fra Angelico's masterpiece has ever been re-framed. I can imagine that it has never left the dark sort of room with painted rafters which it now dominates. Victorian travellers already made pilgrimages to see it. It needs no light, for its colours are as brilliant as when painted more than five centuries ago—the most vibrant range of gold, red, rose-pink and midnight blue that any gardener would ever dare risk in his colour scheme.

The scene is allusive, but easily read. In the top left corner Adam and Eve are being expelled in miniature from paradise because of woman's first transgression. In the foreground Mary, the new Eve, is making up for it. She sits in her loggia, crossing her hands on her chest in surprise as an angel of pure radiance points a knowing hand in her direction and tells her that the baby is due.

I would believe that there have to be angels if they are so handsomely winged in pink, gold and a rainbow of peacock green. I would even agree that Mary was not just the ordinary wife of a carpenter if she looked so serene and tinged with gold as in Fra Angelico's vision of her. Perhaps she was indeed such a blue stocking as to be reading such a precious book on her lap on the veranda.

If all these embellishments are possible, I can keep the illusion of the garden outside the loggia, my small garden patch for 1980, an artist's vision of the proper flowers for a Madonna, cast in the shadow of paradise above.

The plan is very simple, merely the climax of a style which you can see in almost any Botticelli foreground or its mid-Victorian imitations. Behind a picket fence of a familiar cottage style runs a border of reflexed orange lilies and a suitable mass of Lilium Candidum, the open-flowered white madonna. There is no lawn, only a fragment of a flowery meadow in a dark shade of William Morris green with the usual sprinkling of daisies and wind-flowers, violets and possibly primrose, though the petals are not quite decisive.

It may not sound very much, but it is a garden which I would settle for quite happily, with the angel as an optional extra. It would be bright and fresh ... summer and spring by tu... and a contrast of orange sca... and dark evening green in ... foreground.

This small garden is not j... an artist's dream. It is a p... vocation to further thoug... Why do so few gardeners gr... good summer lilies in th... narrow borders, set like tha... beside a straightforwa... boundary fence? There a... lilies from Fra Angelico whi... live in the Far East and flour... anywhere, lilies named af... French Jesuit missionari... Davidi and Henryi, and t... familiar forms of umbellatu... and Tiger Lily.

They will grow anywhere, ... dry half-shade, below tall wal... on lime or among long drifts ... iris. The Madonna Lily is mo... temperamental but you shou... all try it in case you are luck... Perhaps it prefers a clay soil. ...

My Christmas garden, ... short, is a plea for more lili... and more wilderness. It wou... make a fine Christmas card f... the many of you who write wi... comments, advice and co... plaints, many more than an... one could answer correctly. ... would wish you as little garde... ing effort as possible ov... Christmas, a time to conte... plate. Cortona for 1981 and ... not a bookish virgin on you... from veranda: at least an ech... of the garden which this stupen... dous painting still lights u... across so many years.

LOMBARD

Mexico and the Dismal Science

BY ANATOLE KALETSKY

WHEN THOMAS CARLYLE first dubbed the nineteenth century's political economists Respectable Professors of the Dismal Science he was, I take it, alluding to the joyless effect on their audiences of the economists' unending litanies about the virtues of thrift and the impossibility of satisfying infinite human wants in a world of limited resources. He should have spared a thought, however, for the even more dismal impact of economics on the psychological make-up of the Respectable Professors themselves. For an economist, wherever he goes, finds it almost impossible to keep his mind off the economic reality manifesting itself

Symptoms

Thus, being one of the economists who do not feel totally reassured by Mrs. Thatcher's apparent conviction that Britain's economic recovery is at last only just beyond the horizon, I decided to escape temporarily to a balmier country where the exotic beauty of the jungles and the warmth of the sun and the Pacific Ocean would distract me from the cold and implacable economic truths in which the Prime Minister would prefer her subjects to immerse themselves. Imagine my shock, therefore, when I discovered that, in the two years since I had last visited Mexico, that pleasant and easygoing, though still impoverished country, had managed to contract some of the symptoms of the British disease.

The most obvious sympton was the extraordinary increase in the cost of living in comfort and style on one's dollar-denominated travellers' cheques. It was the reason for this that made it impossible to forget about my friends freezing and watching Party Political Broadcasts at home as I sipped tequilla cocktails on the beach. Like Britain, Mexico has had a very high rate of inflation—currently just below 30 per cent—over the past two years, but its currency has maintained a rock-like solidity against the American dollar, since it was devalued by 50 per cent in late 1976. The reasons for the failure of the exchange rate to adjust to an inflation differential of around 15 per cent per annum with the U.S. were depressingly familiar: a boom in the oil industry and stratospheric levels of interest rates.

To make matters worse for the escapist Briton the rate of inflation, and hence the overvaluation of the currency, was sharply augmented in January this year by the introduction of a new 10 per cent value added tax, designed to improve the structure of the tax system and to help in the fight against inflation by shoring up the Government's finances. Although the new VAT was supposedly set at a rate equivalent to the earlier turnover tax which it replaced, it nevertheless produced in January the highest upsurge in inflation ever recorded.

Less serious

Of course, overvaluation of currency, tiresome as it is to the foreign tourist, is a much less serious matter in a relatively closed economy with a small manufacturing sector, such as Mexico's particularly if oil, the fundamental cause of the currency's strength, is going to keep on flowing at its present rate for many decades, rather than for just a few years as in Britain's case.

Nevertheless, the Mexican Government appears more worried than the British about the future of its manufacturing sector and about the overvaluation of its currency. There have been repeated statements about the need to let the peso fall against the dollar next year more rapidly than the 2 per cent decline which occurred in 1980. How the world's eighth largest oil producer can achieve this remains to be seen. However, it seems more likely to succeed than Britain, since the Mexican Government seems willing to adapt its macro-economic policies and, most importantly, to vary the rate of oil depletion and exports, to ensure that the whole economy grows rapidly, rather than stagnating as oil production builds up. Returning to a country where oil is increasingly looking like a curse, it was easy to understand why it took an Englishman to call Economics the Dismal Science.

Night Nurse likely to come out on top

RACING

BY DOMINIC WIGAN

JONJO O'NEILL went so far as to describe Night Nurse as "a certainty" for Boxing Day's King George VI Chase after seeing his old ally make a spectacular come-back last week. Although his enthusiasm seemed somewhat over-ecstatic the Easterby veteran will, I believe, come out on top.

However, Night Nurse looks set for a tremendous tussle with the likes of Silver Buck, Diamond Edge and Chinrullah before he can claim another major prize.

The eight-length conqueror of I'm A Driver in Ascot's Buchanan Whisky Gold Cup, when gaining his sole success in the 1979-80 campaign, Night Nurse arguably put up his best performance of the season soon afterwards at Haydock. There he ran I'm A Driver's stable companion, Silver Buck, to 1½ lengths in the Edward Hanmer Chase after damaging the main tendon in his off-foreleg near home.

Although I believe that the 3¼ miles of the Cheltenham Gold Cup will always prove just beyond Night Nurse's staying-powers on anything but fast ground, the three miles of the King George VI at this less exacting Sunbury course is probably well within his capabilities.

I take Mr. Reg Spencer's ever-popular bay to record his 29th jumping victory from 48 attempts at the chief expense of his old foe Silver Buck.

Other likely looking prospects on an almost invariably tricky Boxing Day afternoon looks to be Cisto, Bregawn and Apple Wine, all of whom are due to participate farther north at Market Rasen.

KEMPTON
King George VI Chase—Night Nurse
MARKET RASEN
1.15—Cisto*
2.15—Bregawn
2.45—Apple Wine***
HUNTINGDON
12.30—King Ba Ba**
1.00—Keengaddy
2.00—Tangle Lad

The above are probable runners.

هكذا من الأكمل

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

How a family gave up feuding to fight on foreign fronts

Andrew Fisher reports on the overseas ambitions of Asprey, the Mayfair jeweller

DIAMONDS—said to be a girl's best friend—have pride of place in the new catalogue from Asprey, the Royal jewellers whose name is synonymous either with luxury or with sheer ostentation, depending on your viewpoint.

Operating in the rarefied commercial atmosphere of Bond Street in London's Mayfair, Asprey has been serving the world's rich for nearly 200 years. But for the last 40 or so of those, the Asprey family has increasingly had to paper over the cracks in its unity, with sporadic outbreaks of civil war which reached a pitch in the 1970s.

Earlier this year, the Aspreys decided on peace, but not before their company's independence had been severely threatened by a bid from the Alfred Dunhill smoking and menswear group in alliance with interests in Dubai. The bid was beaten off in a move which brought in Sears Holdings as a minority shareholder and which left one side of the family in control after the other had decided to sell out.

Squabble

Since then, the lack of internecine squabbling has brought an end to the embarrassing publicity which filled numerous column inches and threatened to distort the company's image and divert management attention from the running of the company.

"An unhappy family is unhappy after its own fashion," wrote Tolstoy at the start of Anna Karenina. Certainly, the Aspreys have had their own style of disharmony.

The company is now keen to concentrate on bringing profits back to the record levels of a few years ago. An important part of its strategy is to push deeper into foreign markets—not unexpectedly, oil-rich Middle Eastern states provide much of its business. "We've spent most of the years fighting among the family," says John Rolls Asprey, who became chairman last year. "Now we must concentrate on promoting our products."

The tall, slim 43-year-old former Scots Guardsman is less keen to discuss the unsettled recent family history than the company's prospects. In the past decade, business has raced ahead but the past two years have seen some nasty knocks as world recession has gradually squeezed the market for luxury goods.

Eleven years ago, profits before tax were only £207,000. The latest annual report, for the financial year to March 31, 1980, shows a figure of £2m, uncomfortably down from the £2.95m earned in 1978-79 and the £3.2m of the previous year. Turnover, only just above £2m at the start of the 1970s, has also come down recently. Last year, it fell below £14m from £15.7m.

Although Asprey's corporate tax burden was lighter, the strong pound cut the balance sheet value of the large Swiss franc reserves held for trading purposes in Geneva. The effect was to leave the final sum available for distribution nearly 32 per cent lower last year—at £1.04m.

Also eroding profits was the cost of buying the soft furnishing and decorating business of Algernon Asprey, ousted from the Asprey board in 1971 with his brother Harry and reinstated last year. Algernon, a cousin of John, left the board again a few weeks ago, more amicably this time in the wake of the financial manoeuvrings which kept Asprey independent.

John Asprey and his immediate family now control 51 per cent of the company and the rival family members have retired from the fray. With the aid of merchant bankers Morgan Grenfell, the company was able to beat off the unwelcome advances of Dunhill (itself controlled by Rothman International) which had combined with the interests of Sheik Al-Tajir of Dubai to mount a bid. Since Dunhill-Logida, the joint company formed to make the offer, already had 37 per cent, Asprey's days of freedom could well have been over.

To attempt an understanding of how Asprey became so vulnerable, it is necessary to go as far back as the years after the First World War. It was then that the seeds were unwittingly sown for the discontent which surfaced so abruptly several decades later.

Kenneth Asprey, then owner of the company, returned from the war in which he had been gassed and another brother had been killed. His two younger half-brothers, Eric and Philip, combined to buy him out in the 1930s. Kenneth, the father of Algernon and Harry, appears to have sold for both personal and financial reasons. Eric, who is John's father and now 78 years old, and Philip, ended up with around 46 per cent each.

Although Eric and Philip, the older of the two, were not perhaps the closest of brothers, they worked hard to establish a reasonable working relationship. This was calm enough to keep the family rivalry subdued. Early in 1971, however, things began to boil over when Algernon and Harry, in their late 50s, were dismissed as two of Asprey's four managing directors; Eric and Philip were the others. Dissatisfied with what they claimed was the insular way it was being run, they had tried to engineer a £1m bid with the aid of Gresham Trust.

Algernon then started up his own company, subsequently bought by Asprey in 1979 to form an integral part of the overall business of supplying jewellery, antiques, objets d'art, expensive tableware and elegantly bound books to the opulent. John Asprey, meanwhile, was developing a style of management increasingly oriented to the overseas market. A year ago, he became chairman instead of his cousin, Maurice, Philip's son, who was apparently less in tune with the need to go out and woo foreign buyers.

Algernon and Harry sold their shares to Amalgamated Investment and Property just after leaving Asprey's board. This 7 per cent stake then went to the Liechtenstein registered Tunalt Family Foundation—"we couldn't find out who they were," says John Asprey—which sold on to Grovewood Securities, part of Eagle Star.

Dunhill finally bought this peripatetic stake in January 1979, later purchasing another 23 per cent from the Philip Asprey family, followed by 6.8 per cent more in May this year. The last tranche was picked up at £28.50 a share, the price Dunhill-Logida then offered for the rest.

Philip Asprey died recently; it is not entirely clear why he and his branch of the family decided to sell their holdings.

With 37 per cent under its belt, Dunhill-Logida might well have been home and dry. But John Asprey was determined to fight and Dunhill, which two years ago bought the jewellers Collingwood of Conduit Street, was not prepared to offer more. Yesterday, Dunhill announced the surprise sale of Collingwood for £1.4m.

The Dunhill-Logida bid valued Asprey at £11.4m. George Magan, a director of Morgan Grenfell and now on the board of Asprey, says this was clearly not enough. In the end, the price for securing its independence was struck at £35 a share. For Dunhill's managing director, Anthony Greener, this was far too high—"at one price we felt it was worth a go, and at another price it wasn't."

The deal worked out by Morgan Grenfell and stockbrokers de Zoete and Bevan involved the purchase of Dunhill-Logida's 37 per cent stake at this price and the 16 per cent owned by Philip Asprey's family trusts. After a share placing, the John Asprey side of the family ended up with 51 per cent and control. Sears came in to buy 20 per cent and the rest was mostly taken up at the placing by well-heeled private individuals.

Morgan Grenfell acted as principals, committing some £7m of its own money during the transaction, presumably in the knowledge that Sears was ready to step in. Nearly 400 individuals bought shares — institutions were also allotted a few—having been promised a net dividend of £1.75 for 1980-81. Holders of at least 25 shares also have an Asprey Card, giving a 15 per cent discount on most purchases.

Compared with last year's small dividend payout of £100,000, the planned dividend would cost £700,000. Magan says earnings should cover this, but adds that not all of the dividends are likely to be taken up.

Sears' involvement partly fulfils a wish of the late Sir Charles Clore, its former head, who once said wistfully that Asprey was the one jewel he wanted in his company's crown. Sears already owns jewellers Mappin and Webb and Garrards, along with engineering, store and betting shop interests, and had toyed before with the idea of buying into Asprey.

It could be argued that Sears paid out £2.8m for its one-fifth shareholding in order to wait for the chance to take Asprey over. Dunhill's Greener thinks so, citing the pre-emptive agreement under which neither Sears nor Asprey can buy or sell shares in the Bond Street company without the other's agreement. "For Sears," says Greener, "the cash is peanuts: they're obviously prepared just to sit there."

But he respects John Asprey's determination to keep the company going under its own steam. "I admire his guts and wish him good luck. He's done a very brave thing." For his part, Asprey welcomes the new-found freedom from family differences and takeover attention. "Why should I be paid a fortune to go and work for Dunhill?"

Dunhill and its Dubai partners made a £1m profit on the eventual sale of their Asprey shares, with Dunhill's net share worth just over £500,000 after expenses. Now that they have gone, Asprey intends to bring more cohesiveness into the management, tightening up on stock controls and financial data. Had the family dispute gone on any longer, he commented "we'd have become a laughing stock." The employees were also feeling the strain. "Enough is enough."

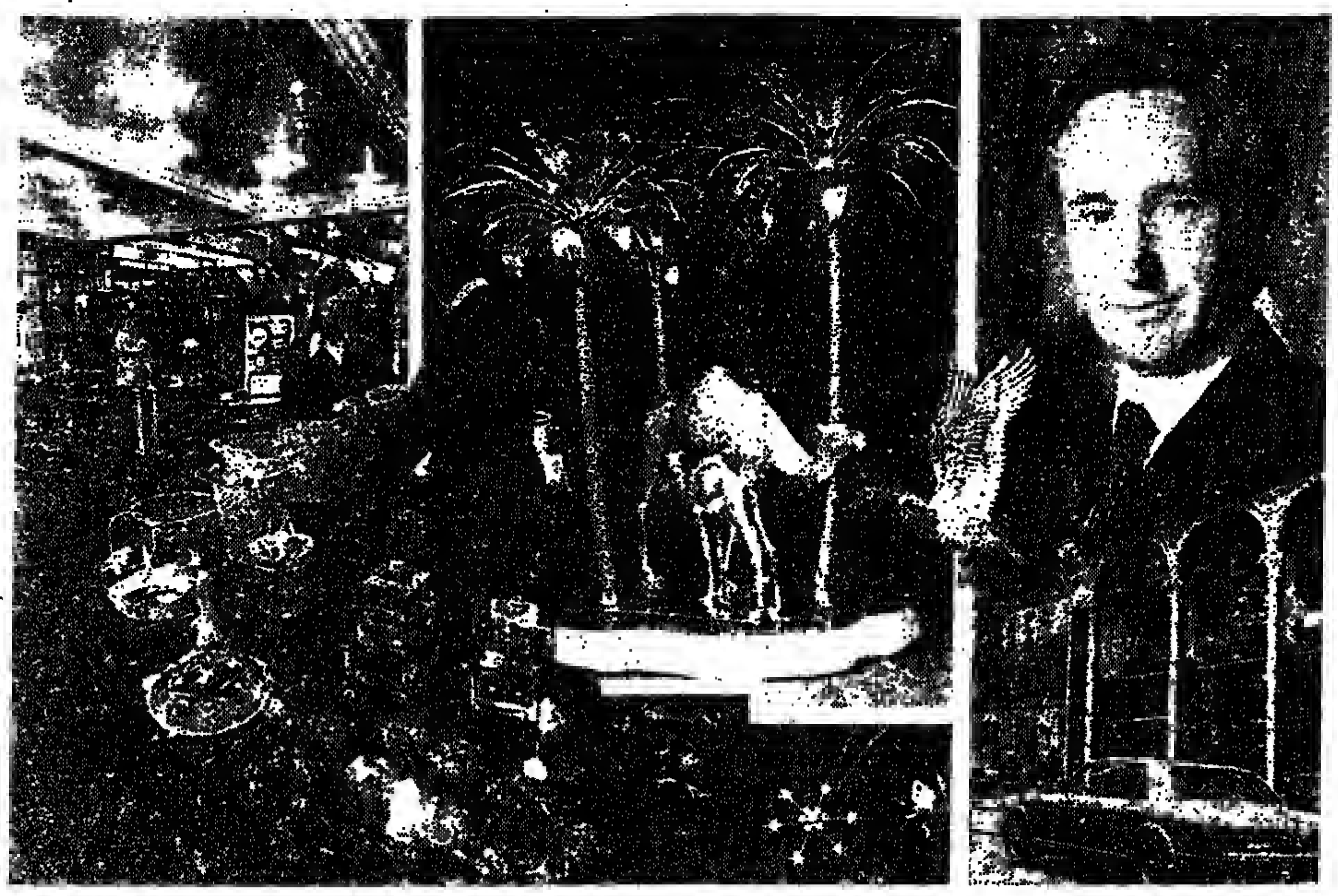
He is also investigating the possibility of setting up more shops abroad, the Far East being one likely region, in co-operation with other interests. Asprey has a shop in Osaka, Japan, and a large showroom and store in Geneva, the city where John Asprey learnt about the watchmaking and jewellery business before joining the family firm. Internationally, he says, "there is an insatiable market."

Labyrinth

He includes, as part of this potential, many museums which are keen to buy modern works of art. In the labyrinth of workrooms behind the Bond Street shopfront, designers and craftsmen turn out a host of exquisite objects at the special request of customers or for the shop itself. This year, Asprey won a Cartier award for an ornate red and gold serpent clock with the hours numbered in diamonds on a revolving ring.

The days when William Asprey catered to the British nobility from the firm he founded in Mitcham in 1781 have been replaced by the need to serve a clientele increasingly spread around the world, with Arabs in the forefront. The Aspreys, descended from Huguenots who had fled from persecution in France, moved to the present Bond Street premises in 1848, ironically a year of revolutions in Europe.

The present chairman, says Magan, "is the first Asprey to be in sole command of the ship for forty or fifty years." Results for the past six months have been "satisfactory" and the annual report said the downward trend had been contained. It remains to be seen how business over Christmas has been deflated by recession. Whatever the future, Asprey has one valuable prop: newly revalued at £5.7m, its properties include a large element in Bond Street on a 2,000-year lease set at a few pounds a year in the early 1900s.



John Asprey presides over the opulent frontage and interior of his emporium in Bond Street, London, which sells such gems as frog, ladybird, and flying duck brooches (£525, £66 and £1,525 respectively) and snowflake pendants (£555)

Technical News

EDITED BY ARTHUR BENNETT AND ALAN CANE

Britain cuts cost of satellite navigation

BY GEOFFREY CHARLISH

RACAL-DECCA NAVIGATOR has put the UK into a potentially strong position to capture a much bigger share of the £15m-£20m shipborne receiver market for satellite navigation using the U.S. Navy's Transit system of five orbiting craft.

It has introduced the DS4, a shoebox-sized microprocessor controlled unit with a large, four line alpha-numeric display, offered at just under £3,000. At this price, the company believes the market will be opened up to much smaller ships, particularly since it can offer world-wide service and support based on the Decca Navigational chain.

DS4 is the first unit of its kind to be designed and built in the UK and its relatively high facility/cost ratio is largely due to a very stable 400 MHz oscillator designed at Loughborough University of Technology: it can be manufactured to consistently high quality and overcomes a price/stability problem that all makers of these Doppler-based receivers have to face.

Accuracy of the DS4 is within 0.05 nautical miles under normal ionspheric conditions, with a +0.2nm/knot error due to ship's speed.

The Transit system is at present based on five satellites in precessing orbits 600 miles up and on ship at sea is likely to have to wait more than about 45 mins for a position fix. Next year two more craft will be launched, reducing the interval further.

Orbits predicted

There are two stages in position determination in the Transit scheme. First, the position of the satellites themselves is determined from ground tracking stations equipped with suitable computers. Orbits are predicted for the following 45 hours and all the data is sent back to the craft where it is stored for use.

The second stage involves finding the position of the ship with respect to the satellites and this is done by doppler technique since the satellite is always either approaching or receding at 7.5km/sec. To improve the accuracy, several measurements are taken in succession and stored for processing by the receiver's micro.

The DS4 is easy to use. Sequential prompting on the display enables settings of date, approximate time and position to be keyed in using a front panel numerical keypad and thereafter the operation is fully automatic.

Signal acquisition, locking and message synchronisation are clearly displayed and special symbols indicate the quality of the incoming data as the satellite pass proceeds. The position display then shows the current dead reckoning position in latitude and longitude, updated internally every minute, together with time, date, speed and heading.

In addition, up to ten waypoints can be nominated (essentially, sequences of en-route fixed points on the map), to which the computer calculates distance and course to steer. Offset due to drift is calculated once tide or ocean current has been set in.

DS4 also has log and gyro interfaces; options include a printer and a magnetic heading reference which can be fitted to vessels not equipped with a gyro. Operation can be from any power source likely to be encountered, AC or DC, and the unit can be installed in any convenient position.

Racal-Decca is careful to relate DS4 and Transit to existing electronic navigation systems in clear-cut terms. There are now some 26,000 ships using Decca Navigator—a more accurate system but one which is range-limited by shore-based stations. Soon, the company expects to offer a microprocessor-based version of this, too, offering greater convenience of use. Many principal waterways are covered by Decca Navigator.

In U.S. waters however, Loran C is the favourite and has roughly the same purpose as Decca Navigator—the company has won a share of this business as well.

Accuracy

But for long range, oceanic work, the choice has been between Omega and Satnav and, according to Racal/Decca the former has been "disappointing" in performance.

Almost every shipowner or master must dearly wish that modern electronics would come up with a navigational system, accurate to a few metres, capable of giving an immediate position fix anywhere on the globe and not costing tens of thousands of pounds.

That day may only be a decade or two away since an improvement of Transit, called Navstar, is planned that could produce the single, universal navigation system.

The problem, according to one Racal executive, is more political and security oriented than technical, since it appears that the U.S. Government is reluctant to allow universal access to a space system which, in the ships and perhaps the aircraft of an enemy, could result in pin-point navigation to key targets.

There is also the notion that many countries will not give up their shore-based systems in preference to a space system which is basically military and entirely controlled by only one other country.

Clearly, there is a need for an international organisation or a commercial company that can launch and own a satellite system for navigation purposes. One likely organisation has, to date, concerned itself only with communications: that is Marisat, but it may yet extend its horizons.

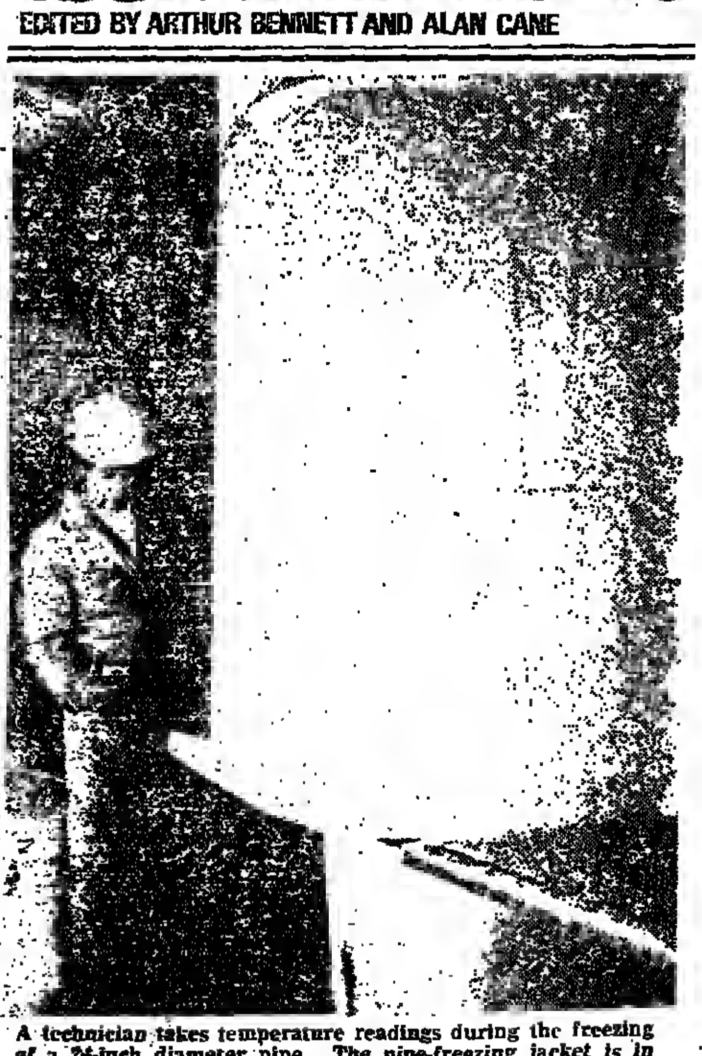
Metallised film will ride high

THE HELIUM balloon attempting the first non-stop circumnavigation of the world by manned free balloon next year will have an envelope constructed from a special laminate of metallised Melinex polyester film and nylon rip stop fabric produced by ICI.

This combination of materials is laminated with an adhesive which provides good flexibility at low temperatures, high tear strength and resistance to UV radiation.

Bowater company, Canvac of Thetford, Norfolk, is providing the metallised film which has good gas barrier properties and is similar to films used widely in food packaging applications. For the latter purpose, the material offers a strong barrier against water vapour, oxygen and other gases, and light, making it the ideal substitute for traditional film and foil laminates.

The layer of aluminium deposited in the metallisation process is considerably thinner than even the thinnest metal foils currently available and, for the ICI balloon, the layer will be less than one ten thousandth of a millimetre. Result will be a metallised film laminate skin with extreme flexibility and lightweight and high gas barrier properties.



A technician takes temperature readings during the freezing of a 24-inch diameter pipe. The pipe-freezing jacket is in position and already frosted-up.

Refinery kept going by a freeze-up

PIPEFREEZING techniques have enabled Mobil Oil to overcome the threat of a major interruption to refinery operations at its Coryton oil refinery, Essex.

Valve-failure on the extensive river water cooling system, which serves the Coryton refinery, had made impossible isolation by conventional means. This problem was further increased by the immediate requirements of a new plant which had to be connected to the cooling main. Unless reliable pipe isolation could be safely achieved, the cooling water system which feeds from the Thames' estuary would have had to be drained, thus shutting down a large part of the refinery.

A three-man pipefreezing team from BCB Pipe Freezing Services was called in to apply localised freeze to the main. BCB isolated the cooling main by forming a 6ft long river water ice plug inside the steel pipeline and this was achieved by using specially designed aluminium pipefreezing jackets.

Once firmly sealed and secured to the pipeline, liquid nitrogen was introduced into the insulated jackets to effect the freeze.

The whole operation, including pipework modifications and the installation of an isolation valve—this work was carried out by Mobil's maintenance workforce — was completed within 21 hours. The freeze commenced at 7.30 pm and continued through the night to provide positive isolation which began at 8.00 a.m. the following morning.

NEWS IN BRIEF

POWER

A HIGH sensitivity earth leakage circuit breaker (ELCB) has been launched by B & R Relays and is aimed mainly at schools, hospitals laboratories, old people's homes and other applications where a higher than normal degree of protection from electrocution is needed.

The device trips at a current of 10 milliamps and the trip speed is about 30 milliseconds. Construction is in the form of a small box with a mains socket in the front panel, while a flying lead with mains plug allows connection to a standard wall socket. The front panel socket can be of special design if requested, to prevent accidental or deliberate by-passing of the ELCB by plugging appliances directly into the wall socket.

Basically, the device is a very sensitive electro-magnetic switch operated from any current over 10mA leaking from the live connections to earth due to faulty insulation.

COMPUTING

EXPERTS IN numerical analysis from Bath, Brunel, Kent, Imperial College, Oxford and Reading universities have formed a consortium called UCINA to make their knowledge available to U.K. industry.

UCINA stands for the University Consortium for Industrial Numerical Analysis and the new organisation plans to "engage in real and active co-operation with industry." It has strong links with the relevant department at the National Physical Laboratory.

UCINA's task is to solve scientific problems arising in industry both long and short term and the group has already contributed to the research programs of AERE, CEGB, ICI, Plessey, Pilkington and Rolls-Royce. More from Dr Sean McKee at the Oxford University Computing Laboratory, 19 Parks Road, Oxford OX1 3PL (0865 513035).

SECURITY

THE FIRST helicopter to enter full-time service with the Metropolitan Police has been equipped with a variant of the Mk 15 Decca Navigator. The machine, a Bell 222 is to be used on aerial surveillance, crowd control, traffic spotting and anti-criminal search duties.

Present position of the aircraft can be presented to the pilot as a latitude/longitude reading, grid reference or as a series of Decca coordinates. Alternatively, if the pilot is alerted to fly to an incident he has only to insert the map reference into a keyboard and he will then immediately be presented with a heading to steer and with the distance and time to go to reach the destination.

A further refinement provided in the helicopter is a plug-in map display. Standard maps can be inserted and the appropriate map scale selected. The position of the aircraft is then continuously shown on the map by a moving cross-wire marker.

MATERIALS

IF long-term protection in aggressive environments is required then Evoguard 80 will provide it, claims Allweather Evode Paints, 36 Great Queen Street, London WC2B 5AP (01-405 2169).

Evoguard 80 is a one-pack coating material based on polyurethane. Curing takes place at low temperatures. It can be brushed or sprayed-on and is suitable for use on structural steel, tanks, pipes, plant of all kinds and concrete floors. Technical notes on the product can be obtained direct from the company.

SALES AID

OVERHEAD PROJECTORS just put on the market by 3M are contained in a briefcase, from which they can be erected in a matter of minutes.

The units, which are priced at £370 and £430, the latter having higher definition optics, measure 438 x 343 x 106 mm and weigh 10.5 kg. The model 6201 is designed for short projection distances and has a 293 mm singlet wide angle lens, a high reflectance front surface mirror and a 200 watt quartz halogen lamp (24 volts) yielding 2,000 lumens of illumination. The 6202 has a high quality triplet lens giving a uniform, sharp image. More from 3M House, P.O. Box 1, Bracknell, Berks RG12 1JU (0344 267261).

COMMUNICATIONS

HEWLETT PACKARD has introduced a fibre optic link for under £35. The link, coded the HFBR-0500, comprises a transmitter, receiver, one millimetre core diameter plastic fibre, connectors and polishing kit.

The transmitter can be interfaced to a source of digital signals through an open collector transistor-transistor logic buffer gate. The signals are converted to light impulses, sent down the fibre link and decoded at the distant end.

The link can be used for low cost, short length inter or intra system data links to solve common mode or high voltage isolation problems. More from HP on 0734 784774.

COMPONENTS

MULLARD HAS announced a family of five single-chip NMOS microprocessors which are said to offer system designers greater cost-effectiveness by providing a choice of memory size and a built-in serial input-output interface.

Four of the new devices are intended for large-scale production with read-only memories masked to customers' orders. The fifth is a special version intended for low-volume production, prototyping and testing—and this will be the first to become available to allow designers to evaluate the new family.

The computer, designated 8400, has an eight bit central processor, read only and random access memory, clock, timer event counter and 32 input output lines—all in a single 28 pin package. Only a single five-volt supply is needed and the operating temperature range is −10 to +70 deg C; wider temperature range versions will be made available later. Mullard is at Torrington Place, London WC1E 7HD (01-580 6633).

CHRISTMAS TELEVISION and RADIO

TODAY

It's a great day for music lovers. Those with catholic tastes can plot a path from 5.55 until after midnight with scarcely a break for anything else:

5.55 Sounds of Christmas (BBC2). The instinctively funny Richard Stilgoe introduces the London Choral Society, the King's Singers, and the very school choir in which I sang (Haberdashers'); the English Brass Ensemble; and Margaret Philips on organ, with percussion played by the owlish Tristan Fry.

7.35 Sky (BBC2). First half of a recorded concert by the extraordinarily talented group which includes guitarist John Williams and (again) drummer Tristan Fry.

8.55 Instant Sunshine (BBC2). A film about the idiosyncratic singing group which combines 20s charm, and outfits, with modern lyrics and own-brand humour.

10.00 Old Grey Whistle Test (BBC2). A rare live concert with simultaneous stereo transmission on Radio 1 by Ian Dury and The Blockheads from London's Dominion Theatre.

11.05 Placido Domingo's Christmas Choice (BBC1). Predictably a mixture of opera and carols with Domingo not only singing but conducting, an activity in which (he once told me) he has big ambitions. Tomorrow on BBC1 Domingo sings Cavaradossi in an exciting though irritatingly dubbed Tosca filmed on location in Rome.

CHRISTMAS DAY

Christmas Day schedules are becoming so repetitive and fixed in their ways that it really looks as though channel controllers believe they are taboo and unalterable. All the old faces and ideas are back again this year.

3.00 The Queen (BBC/ITV). The only person who might come out top in a three-way ratings battle with the Eurovision Song Contest and Miss World. Last year, The Queen was watched by 28m viewers. Also on BBC2 at 10.10 pm.

3.10 A Year in the Life of an Exmoor Man. The BBC is establishing an admirable habit of presenting one Christmas programme which gets right away from tinsel and pud and goes out into the byways for a heartening look at Britain. This year it looks as though it will be this account through the eyes of Tom Rook of life and the seasons of the year on *Exmoor*.

8.05 The Mike Yarwood Christmas Show (BBC1). Marks the start of the big blitz. The BBC hopes that Yarwood will grab your attention and hang on to it past 8.30 when ITV lets rip with The Morecambe and Wise Christmas Show, and that you will be further seduced by the beginning of BBC1's big movie, Airport 1975, and never switch channels.

BOXING DAY

Although they are not from any of the greatest Astaire vintage films, which were all pre-war and all black and white, the day's treats are both on BBC 2 in the afternoon:

2.25 The Barkleys of Broadway in which he was reunited with Ginger Rodgers and

4.10 Funny Face where Astaire was teamed up surprisingly successfully, you may think — with a young Audrey Hepburn.

The evening is dominated by two disaster movies which (of course) clash:

7.00 Earthquake (ITV).

8.15 The Towering Inferno (BBC 1). Remembering America's recent fire tragedy this seems an unfortunate choice of disasters, to say the least. If the whole idea appears remarkably un-Christmaslike, your obvious choice is

7.25 The Nutcracker (BBC 2). *Another* American production, but distinctly Christmas-y with Mikhail Baryshnikov not only dancing but venturing for the first time into choreography.

CHRIS DUNKLEY

CHRISTMAS RADIO

At 1.30 pm on Christmas Day I will, I hope, be gorging my fill of turkey. *I shall* therefore miss Radio 2's production of *Aladdin and his Wonderful Lamp* with Kenneth Connor as Widow Twankey, but it sounds fun.

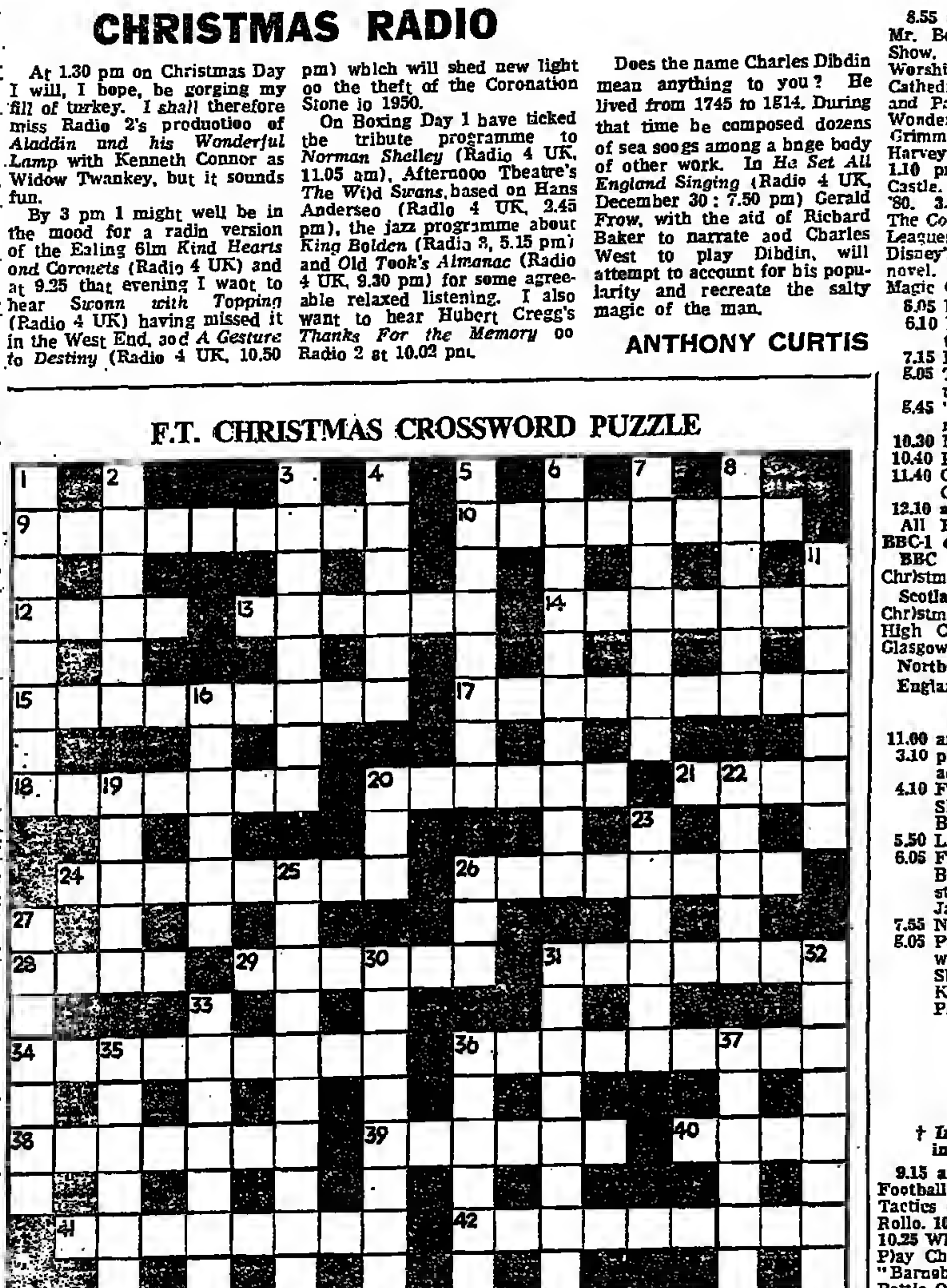
By 3 pm I might well be in the mood for a radio version of the Ealing film *Kind Hearts and Coronets* (Radio 4 UK) and at 9.25 that evening I want to hear *Swann with Topping* (Radio 4 UK) having missed it in the West End, and *A Gesture to Destiny* (Radio 4 UK, 10.50 pm) which will shed new light on the theft of the Coronation Stone in 1950.

On Boxing Day I have ticked the tribute programme to *Norman Shelley* (Radio 4 UK, 11.05 am), Afternoon Theatre's *The Wild Swans*, based on Hans Andersen (Radio 4 UK, 2.45 pm), the jazz programme about *King Bolden* (Radio 3, 5.15 pm) and *Old Took's Almanac* (Radio 4 UK, 9.30 pm) for some agreeable relaxed listening. I also want to hear Hubert Gregg's *Thanks For the Memory* on Radio 2 at 10.02 pm.

Does the name Charles Dibdin mean anything to you? He lived from 1745 to 1814. During that time he composed dozens of sea songs among a huge body of other work. In *He Set All England Singing* (Radio 4 UK, December 30: 7.50 pm) Gerald Frow, with the aid of Richard Baker to narrate and Charles West to play Dibdin, will attempt to account for his popularity and recreate the salty magic of the man.

ANTHONY CURTIS

F.T. CHRISTMAS CROSSWORD PUZZLE



A prize of £15 will be given to each of the senders of the first five correct solutions opened. Solutions must be received by Friday, January 2, marked Crossword in the top lefthand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given on Wednesday, January 7.

Name ....

Address ....

....

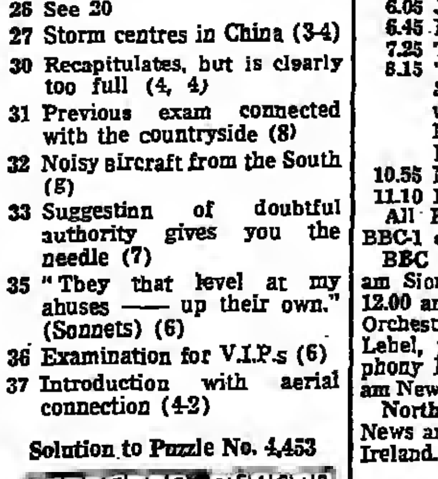
ACROSS

9 Trains *Fleet Street* in outlays (9)
10 The allowance about to disappear? It's not on the level (8)
12 Infrequent get-together of two regiments (4)
13 A device for Jacob's son to receive (6)
14 It's a blow to see the blueback salmon (7)
15 Seizes procession in a Norfolk town (9)
17 Dodges for teams concerned about promotion (4-5)
18 Help for a gullible person, we hear (7)
20 The bird to talk about us (6)
21 Can excitement make you cooler? (4)
24 Prosecute the girl in Dallas (3, 5)
26 Rani sued for just a penny (8)
28 Narcissus repulsed her, but she had the last word (4)
29 Well the Russian is treated mercifully (6)
31 Informs against pretty girls (7)
34 Bare cabin destroyed by the sea (8)
36 One who goes about a short time as a preacher (8)
38 Preserved—in alcohol? (7)
39 Lord of Titania (6)
40 Mentioned one in unhappy surroundings (4)
41 Rubbish! Lear wrote a book about it (8)
42 "—— wears a snowy beard, romance is always young" (Whittier) (9)

DOWN

1 Male partners in the isles? (8)
2 Good fellows left aboard (6)
3 Pearlies could supply something on which to train (8)
4 Customs for the wise among us (6)
5 They are concerned with number one (8)
6 Created a disturbance like Adam and Eve (6, 4)
7 Examine critically the records about us (7)
8 A girl on the river wants extra accommodation (6)
11 Bill for the dance (7)
16 Firmly established and encouraged (8)
19 Fruit drink causes infatuation (6)
20 and 26 Frank combination of present ability and past performance (6)
22 There is feeling for you in Talbot House (5)
23 Serious about oriental piece of armour (6)
25 It is cheek for a Berkshire town to get the message (3-7)
26 See 20
27 Storm centres in China (3-4)
30 Recapitulates, but is clearly too full (4, 4)
31 Previous exam connected with the countryside (8)
32 Noisy aircraft from the South (8)
33 Suggestion of doubtful authority gives you the needle (7)
35 "They that level at my abuses —— up their own." (Sonnets) (6)
36 Examination for V.I.P.s (6)
37 Introduction with aerial connection (4-2)

Solution to Puzzle No. 4,453



TODAY

BBC 1

† Indicates programme in black and white

9.15 am Fingerbobs. 9.30 Football Association Coaching. 9.55 King Rollo. 10.00 Red Hand Gang. 10.25 Why Don't You . . . ? 10.50 Play Chess. 11.00 Lassie. 12.15 pm Battle of the Planets. 12.40 News. 12.50 California Fever. 1.35 Film: "Kim." 3.25 "Winnie the Pooh and Tigger Too." 3.53 Regional News. 3.55 Play School. 4.20 Cartoon: "The Mole at Christmas." 4.25 Jackanory. 4.40 All Star Record Breakers. 5.35 Paddington.
5.40 News.
5.55 Tom and Jerry or Regional News.
6.05 Film: "Pollyanna."
8.15 Val's Special Years of Christmas.
9.00 News.
9.15 Film: "Big Jake."
11.15 Placido Domingo's Christmas Choice.
11.50 Midnight Eucharist: The first Eucharist of Christmas, from Carlisle Cathedral.

All Regions as BBC1 except as follows:

BBC Cymru/Wales—5.55-6.05 pm News. 11.50-12.45 am Y blygain fawr. Carols. 12.45 News.

Scotland—12.50 Sing Along With Sunshine. 1.20 pm-1.35 The House That Joe Built. 5.55-6.05 Scottish News. 12.55 am News.

Northern Ireland—3.53 pm-3.55 Northern Ireland News. 5.55-6.05 Northern Ireland News.

England — 5.55 pm - 6.05 Regional News—East (Norwich); North (Leeds, Newcastle); North-west (Manchester); Midlands (Birmingham); West (Bristol); South (Southampton); South-West (Plymouth).

BBC 2

10.20 am Ghabar.
11.00 Play School.
3.55 pm Film: "The Toast of New Orleans."
5.30 Long, Short and Tall Stories.
5.55 Sounds of Christmas.
6.45 Great Paintings.
6.55 News.
7.00 "Moving Pictures."
7.35 Sky in Rhythm.
8.15 "Moon June."
8.55 Instant Sunshine in "Roads to Stardom."
10.00 Old Grey Whistle Test.
11.00 News.
11.05 Film: "A New Leaf."

LONDON

9.30 am Cloppa Castle. 9.40 Rainbow. 9.50 Clapperboard. 10.35 Frank Muir's Christmas Extraordinary. 11.00 Disneyland's 25th Anniversary. 12.00 Free Time. 12.30 pm Take the High Road. 1.00 News. 1.20 Thames News. 1.30 Walt Disney Classic: "Chip 'N' Dale." 1.40 Film: "Quo Vadis?" 4.45 Christmas Nativity. 5.15 Crossroads.
5.45 News.
6.00 Thames News.
6.30 Give Us a Clue for Christmas.
7.00 Christmas at Robin's Nest.
7.30 Coronation Street.
8.00 London Night Out Christmas Special.
9.00 Film: Alfred Hitchcock's "Family Plot."
10.15 News.
10.30 "Family Plot" (conts.)
11.30 Midnight Mass from St. Mary's Cathedral, Middlesbrough, Cleveland.

ANGLIA

1.20 pm Anglia News. 5.15 Give Us a Clue for Christmas. 8.00 About Anglia Christmas Special. 8.35 Crossroads.

ATV

1.20 pm ATV News. 5.15 Give Us a Clue for Christmas. 6.00 ATV Today, News. 6.05 Crossroads. 5.30 ATV Today.

BORDER

1.20 pm Border News. 5.15 Give Us a Clue for Christmas. 6.00 Lookaround. 6.35 Crossroads.

CHANNEL

1.20 pm Channel News. 5.15 Give Us a Clue for Christmas. 6.00 Channel Report. 6.35 Crossroads. 10.15 Channel Weather.

GRAMPIAN

1.20 pm North News. 5.15 Give Us a Clue for Christmas. 6.00 North Tonight. Weather. 6.35 Crossroads. 11.30 Watchnight Service: Rev. David Lacy, live from St. Margaret's Church, Glasgow.

GRANADA

1.20 pm Granada Reports. 5.15 Give Us a Clue for Christmas. 6.00 Granada Reports on Christmas Eve. 6.30 Crossroads.

HTV

1.20 pm HTV News. 6.00 Report West. 12.30 am A Carol for Christmas.
HTV Cymru/Wales—As HTV West. HTV General Services except: 1.20 pm-1.25 Ffalabalam. 4.45-5.15 Gwesty Gwirion. 6.00-6.15 Y Dydd. 6.15-6.30 Report Wales.

SCOTTISH

1.20 pm News. 6.00 Scotland Today. 6.30 Take the High Road. 11.30 Watchnight Service from St. Margaret's Church, Knightswood, Glasgow.

SOUTHERN

1.20 pm Southern News. 5.15 Give Us a Clue for Christmas. 6.00 Day by Day or Scene Midweek. 6.35 Crossroads. 12.30 am Weather.

TYNE TEES

1.20 pm North-East News and Lookaround. 5.15 Give Us a Clue for Christmas. 6.00 North-East News. 6.02 Crossroads. 6.25 Northern Life.

ULSTER

1.20 pm Lunchtime. 4.43 Ulster News. 6.00 Good Evening Ulster.

YORKSHIRE

12.00 pm The Riordans. 1.20 Calendar News. 5.15 Give Us A Clue. 6.00 Calendar. 6.35 Crossroads.

WESTWARD

9.20 am Soldiers Of The King. 11.57 Gus Honeybun's Birthdays. 12.00 pm The Riordans. 1.20 Westward News Headlines. 5.15 Give Us A Clue For Christmas. 6.00 Westward Diary. 6.30 Crossroads. 12.30 am Soldiers Of The King.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.00 Dave Lee Travis. 8.32 Simon Bates with Christmas Oldies. 10.32 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.32 Simon Bates, Christmas *Oldies*. 3.32 Peter Powell. 5.30 Newsbeat. 5.31 Radio 1 Mailbag. 7.31 Mike Read. 10.02 Ian Dury and the Blockheads (S) concert. 11.02 John Peel (S).

RADIO 2

5.00 am News. 5.03 Ray Moore (S). 8.15 Pause for Thought. 7.32 Terry Wogan (S). 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music with David Symonds (S). 6.03 John Dunn (S). 8.02 Listen to the Band (S). 8.45 Alan Dell with Dance Band Days. 9.15 Semprini Serenade (S). 10.02 The Grumbleweeds' Christmas Party. 11.02 Christmas at the Dome: seasonal music from Brighton. 12.02 am Christmas Song: Tony Britton presents an anthology in praise of Christmas (S). 1.01 Jimmy Young Sings for Christmas (S). 2.02-5.00 You and the Night and the Music with Bill Rennells (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Your Midweek Choice (S). 8.00 News. 8.05 Your Midweek Choice (S). 9.00 News. 9.05 This Week's Composer: Dvorak (S). 10.00 Virginal Recital (S). 10.30 Trios and Folk Songs recital (S). 12.05 pm City of Birmingham Symphony Orchestra concert (S). 1.00 News. 1.05 Concert (S). 2.10 Music Weekly (S). 3.00 Haydn in England (S). 4.15 Vermeer String Quartet recital (S). 5.50 Talking About Music (S). 6.20 Schubert Piano Sonatas recital (S). 7.10 Six Continents. 7.30 Bach's Christmas Oratorio (S). 9.00 Maestro Perez the Organist. 9.25 Bach's Christmas Oratorio (S). 11.00 News. 11.05-11.15 Gregorian Chant (S).

RADIO 4

6.00 am News. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today. 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 Headlines. 7.45 Thought for the Day. 8.45 "Trust to Talk." 9.00 News. 9.05 Mid-Week: Sherrin Before Christmas. *10.00 News.* 10.02 Gardeners' Question Time. 10.30 Daily Service. 10.45 Story Time. 11.00 News. 11.05 Carolling in Frosty Air: Sir John Betjeman, Poet Laureate, reflects on some of the best-loved Christmas carols—as poetry. 11.59 News. 12.02 pm You and Yours *Special.* *12.27 My Word! (S).* 12.55 Weather. 1.00 World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Women's Hour. 3.00 News. 3.02 Festival of Nine Lessons and Carols from King's College Chapel, Cambridge. 4.30 Star of Bethlehem: Investigation to discover if the Star of Bethlehem did exist. 5.00 PM: News. 5.50 Shipping forecast. 5.55 Weather. 6.00 News. 6.30 What Ho! Jeeves. 7.00 News. 7.05 The Archers. 7.20 Carol in the Advent Calendar (S). 8.20 I'm Sorry I Haven't a Clue (S). 9.05 "The Bateman's Bride" or "The Man Who Bowled the Maiden Over" (S). 9.58 Weather. 10.00 World Tonight. 10.30 Frank Muir Goes into . . . Festivities (S). 11.00 A Bloom of Candles: Laurie Lee offers a poet's celebration of Christmas. 11.30 Midnight Mass from the Church of St. Thomas More, Manor House, North London. 12.15 am Shipping, inshore waters forecast.

London Broadcasting

6.00 am AM—Douglas Cameron and Douglas Moffitt. 10.00 Jenny Lacey. 12.00 pm Max Miller—LBC Reports. 5.00 John Parkins—LBC Reports. 8.00 Jazz After Eight—Keith Howell. 9.00 Mike Gardiner—Nightline. 12.00 am LBC Reports Midnight. 1.00 Night Extra—Carol Allen. 4.00 Network. 5.00 Morning Music.

Capital Radio

2.00 am Duncan Johnson's Night Flight. 6.00 Mike Smith's Breakfast Show. 9.00 Michael Aspel. 11.59 Graham Dene. 1.00 pm First Report. 1.10 Graham Dene. 3.00 Roger Scott. 7.00 The Night Before Christmas. 11.30 Midnight Mass from Providence Row.

CHRISTMAS DAY

BBC 1

† Indicates programme in black and white.

8.55 am "The Nativity." 9.25 Mr. Benn. 9.40 Pink Panther Show. 10.00 Morning Worship: Worship for Christmas from The Cathedral Church of St. Peter and Paul, Clifton. 11.05 "The Wonderful World of the Brothers Grimm," film with Laurence Harvey and Claire Bloom. 1.10 pm Carols from Warwick Castle. 2.00 Top of the Pops '80. 3.00 The Queen speaks to The Commonwealth. 3.10 "20,000 Leagues Under the Sea." Walt Disney's film from Jules Verne's novel. 5.15 The Paul Daniels Magic Christmas Show.
6.05 Evening News.
6.10 Larry Grayson's Generation Game.
7.15 Dallas.
8.05 The Mike Yarwood Christmas Show.
8.45 "Airport 1975," film starring Charlton Heston.
10.30 Main News.
10.40 Parkinson at Christmas.
11.40 Christmas Comedy Classic: "Fawlty Towers."
12.10 am Weather.

All Regional programmes as BBC-1 except as follows:

BBC Cymru/Wales—8.40-9.25 Christmas at St. David's.

Scotland — 10.00-11.00 am Christmas Family Service from High Carntyne Parish Church, Glasgow.

Northern Ireland—As BBC-1.

England—As BBC-1.

BBC 2

11.00 am Play School.
3.10 pm A Year in the Life of an Exmoor Man.
4.10 Fred Astaire in "Blue Skies." Film also starring Bing Crosby.
5.50 Little Swallow.
6.05 Fred Astaire in "The Band Wagon." Film also starring Cyd Charisse and Jack Buchanan.
7.55 News Summary.
8.05 Puccini's Tosca Opera, with Placido Domingo, Sherrill Milnes, Raina Kabaivanska and the Philharmonia Orchestra.
10.10 The Queen speaks to the Commonwealth.
10.20 One Hundred Great Paintings. Seurat (1859-1891).
10.30 Walter Matthau in "The Front Page." Feature film with Jack Lemmon and Carol Burnett.
12.15 am Close.

BBC-2 Wales only—9.00-9.40 am Yr Hosgo Fawr. 9.40-10.20 Adeste Fideles. 10.20-11.00 Rhaglen Hywel Gwynfryn.

LONDON

9.00 am A Merry Morning. 9.45 Christmas Eucharist. From Canterbury Cathedral. 10.45 A Christmas Star. 11.10 A Christmas Runaround. 11.40 Digby the Biggest Dog In the World. 1.15 pm Crossroads. 1.45 Billy Smart's Christmas Circus from the Big Top at Winkfield, Windsor. 3.00 H.M. The Queen. Her traditional message to the people. 3.10 George and Mildred.
4.55 News.
5.05 3-2-1 Pantomime.
6.05 James Bond Film: "The Man with the Golden Gun."
8.30 The Morecambe and Wise Christmas Show.
9.30 This Is Your Life.
10.00 Janet and Company, starring Janet Brown with Roy Kinnear, Frank Windsor, Rod Hull and Emu and Tina Martin.
10.30 ITN News.
10.40 A Touch of Class. Starring George Segal and Glenda Jackson.
12.35 am It's Christmas in England. Introduced by Michael Bentine. Carols with children of St. Richards with St. Andrews School of Ham.

All IBA programmes as London except at the following times:

ANGLIA

11.10 am A Christmas Runaround. 10.40 pm Liza Minnelli In Concert In New Orleans.

ATV

10.45 am Animated Classics. 10.40 pm Liza Minnelli in Concert. 12.15 am It's Christmas!

BORDER

8.50 am The Moderator's Christmas Message. 4.55 pm News and Border Weather. 10.30 News and Border Weather. 10.40 Liza Minnelli in Concert. 12.15 It's Christmas in England.

CHANNEL

11.37 am Puffin's Pla(i)ce. 4.55 pm News followed by Channel Islands Weather. 10.30 National News followed by Channel Islands Weather. 10.40 Liza Minnelli in Concert.

GRAMPIAN

8.50 am Moderator's Christmas Message. 10.40 pm Liza Minnelli in Concert in New Orleans. 12.15 am Reflections.

GRANADA

10.40 pm Liza Minnelli in Concert in New Orleans. 12.15 am It's Christmas!

HTV

10.45 am Animated Classics. 10.40 pm Liza Minnelli in Concert in New Orleans. 12.15 am A Carol for Christmas.
HTV Cymru/Wales—As HTV West, except: 10.45-11.10 am Y Ci Bach Ocdd Eisiau Bachgen. 11.10-11.40 Nadolig Llawen.

SCOTTISH

8.50 am Moderator's Christmas Message. 11.40 *Twelve Days of Christmas.* 11.45 Laurel and Hardy Film Library. 12.45 pm Give Us a Clue For Christmas. 1.45 The Glen Michael Cavalcade. 2.30 Christmas Sunshine. 12.35 am Late Call. Rev Stewart Lochrie, MBE.

SOUTHERN

10.40 pm Liza Minnelli in Concert in New Orleans. 12.15 am Weather followed by Father's Christmas.

TYNE TEES

8.55 am The Good Word. 10.40 pm Liza Minnelli in Concert. 12.15 am A Message for Christmas.

ULSTER

10.39 pm Ulster weather. 10.40 Liza Minnelli in Concert. 12.15 am Christmas Night.

WESTWARD

8.50 am *Soldiers Of The King.* 11.37 Gus Honeybun's Birthdays. 10.40 pm Liza Minnelli in Concert. 12.15 am Soldiers Of The King. 12.25 West Country Weather Forecast.

YORKSHIRE

10.40 pm Liza Minnelli in Concert. 12.15 am It's Christmas!

RADIO 1

(S) Stereophonic broadcast
‡Medium wave only

5.00 am As Radio 2. 7.00 Keith Chegwin. 9.32 Tony Blackburn with a special Christmas edition of Junior Choice from the Hospital for Sick Children, Great Ormond Street, London, including 9.30-9.35 The Queen's speech. 10.32 Andy Peebles. Including an appeal on behalf of The Wireless for the Blind. 12.30 pm Newsbeat. 12.35 Christmas Dinner With OLT. 2.32 Paul Burnett. *5.00 Peter Powell.* 7.00 Mike Read. 10.02-12.00 am Steve Wright (S).

RADIO 2

5.00 am News Summary. 6.03 Ray Moore (S) including 6.15 Pause for Thought. 7.03 Christmas with the Stars (S). 8.03 David Hamilton (S) with Radio 2s all-time Christmas favourites. 9.02 Ed Stewart (S) presents his "Christmas Singalong." 10.00 The Queen speaks. 10.05 Terry Wogan (S) including 10.30 Appeal for the Wireless for the Blind. 11.30 The People's Service: Thoughts on Christmas. 11.55 The Choice is Yours. 12.02 pm Family Favourites Forces' Special (S). 1.30 Aladdin and his Wonderful Lamp: A traditional pantomime for Christmas (S). 2.30 Jimmy Young Sings for Christmas (S). 3.30 Christmas Song: Tony Britton presents a Christmas anthology (S). 4.30 Much More Music with David Symonds (S). 6.03 50 Years a Bandleader with Joe Loss and his Orchestra. 7.02 Glamorous Nights presents a Robert Stolz gala concert (S). 8.02 David Jacobs' "My Favourite Things," musical highlights from outstanding post-war British and American shows and films. 10.02 Top of the Bill. 11.02 Brian Matthew with Round Midnight, *including* 12.00 Midnight Newsroom. 2.02 am-5.00 You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Morning Concert: Vivaldi, Wagner, Bruch (S). 9.00 News. 9.05 This Week's Composer: Dvorak (S). 9.55 Schubert's String Quintet. A performance of the Quintet D.956 (S). 10.55 Baroque Wind Trios Recital: J. F. Fasch, Vivaldi, Couperin. 11.30 Mozart Concert (S), including 12.05-12.15 pm Interval Reading. 1.00 pm The Queen speaks to the Commonwealth (S). 1.05 News. 1.10 Murray Perahia Piano recital (Part 1) Beethoven, Chopin (S). 2.00 Interval Reading. 2.05 Piano recital (part 2) Schubert. 2.45 Festival of Nine Lessons and Carols in King's College Chapel, Cambridge. 4.15 Haydn. A performance of *String Quartet Op. 64 No. 3 (S).* 5.05 Boult in Rehearsal. Sir Adrian Boult rehearsing Vaughan Williams and Beethoven (S). 6.00 Russian Music-Making. Recital by Russian artists of works by Borodin (String Quartet No. 2), Britten (The poet's echo) and Chaikovsky (Souvenir de Florence) (S). 7.30 Vienna Philharmonic Orchestra Concert (part 1) Brahms (S). 8.20 Gooly Tale. Short story by Arthur Simmonds. 8.40 Concert (part 2) Schubert (S). 9.40 Small Talk at Wreyland by Cecil Torr. A selection of rural anecdotes about life in a Devon village. 10.05 Haydn. A performance of the String Quartet Op. 64 No. 5 (S). 10.25 Bach's First Christmas at Leipzig: Works written by Bach during his period at Cantor at Leipzig. Cantata No. 63. 11.00 News. 11.05-11.15 The Unanswered Question by Charles Ives (S).

RADIO 4

8.25 am *Shipping forecast.* 8.30 Radio 4's Christmas Presence, including 6.50 Nativity Reading. 6.55 Weather. 7.00 News preceded by Christians Awake. 7.05 Christmas Crackers, including 7.50 Nativity Reading. 7.55 Weather. 8.00 News preceded by Christians Awake. 8.05 Peter Barkworth (S) including 8.55 Weather. 9.00 News preceded by "O come, all ye faithful." 9.05 Christmas Bells. 9.30 The Queen speaks to the Commonwealth (S). 9.35 Christmas Eucharist from the Cathedral of St. Peter and St. Wilfrid, Ripon, Yorks. 10.30 The Countryside at Christmas. 11.15 Quote . . . Unquote (S). 12.00 Fat Man In Italy. Six bicycle trips through Italy (S). 12.27 pm Top of the Form: The Final. 12.55 Weather. 1.00 The Queen speaks to the Commonwealth (S). 1.05 News. 1.10 Desert Island Encores. 1.55 Shipping forecast. 2.00 The Archers. 2.15 Tribute to Alfred Hitchcock. 3.00 Kind Hearts and Coronets: Radio version of the Ealing Studios Film (S). 4.30 The Streets of London: Kenneth Williams takes Percy Edwards and Johnny Morris on a walk through London. 5.20 "Toytown": A "Children's Hour" *broadcast from the BBC* Sound Archives. 5.50 Shipping forecast. 5.55 Weather. 6.00 The Six O'clock News. 6.05 Christmas Appeal: Richard Baker appeals for Wireless for the Blind. 6.10 It Makes Me Laugh. 6.40 Holiday Programme News. 6.45 The Archers. 7.00 Christmas Across Europe. 7.20 "The Apple Cart" by Bernard Shaw (S). 9.25 Swann With Topping. Donald Swann and Frank Topping present a special edition of their recent West End show (S). 10.00 News. 10.05 A Gesture to Destiny: The taking of the Coronation Stone from Westminster Abbey 30 years ago. 10.50 A Second Touché of Thurber (S). 11.20 Ring Out, Ye Crystal Spheres. 11.50 Is There Anybody There? 12.00 News and weather, followed by Interlude. 12.15 am Shipping forecast.

London Broadcasting

5.00 am Morning Music—Keith Howell. 8.00 am Dickie Arbiter: includes the Queen's Speech at 3.30. 10.00 Jellybone. 12.00 pm LBC Reports: Sue Jameson. 1.00 Christmas Carols. 2.00 Beadle and Birch. 5.00 LBC Reports—Steve Allen. 7.00 Glory Be! Laurence Spicer. 8.00 Christmas by Gaslight—Richard Robins. 10.00 Nightline—Mike Gardiner.

Capital Radio

8.00 am Mike Smith. 9.30 The Queen's Speech. 8.40 Mike Smith (continued). 10.00 Mike Allen. 2.00 pm King's Singers Carols. 3.30 Don Williams In Concert. 5.00 Joan Sachs. 10.00 Duncan Johnson.

BOXING DAY

BBC 1

† *Indicates programme in black and white*

9.15 am Over the Moon. 9.30 Football Association coaching: Tactics and Skills. 9.55 King Rollo. 10.00 The Red Hand Gang. 10.25 Why Don't You . . . ? 10.50 Play Chess: The Queen. 11.00 "Barnaby and Me." 12.30 pm Battle Of The Planets. 12.55 The Bear and the Beavers. 1.00 California Fever. 1.50 "Baboushka": A Musical Fable for Christmas by Donald Swann and Arthur Scholey. 2.40 The Turkey: "Its Natural and Unnatural History," a fun film about the Christmas bird. 3.35 "Storm Boy,": Feature film with Greg Rowe and Peter Cummins. 5.00 Today's Sport. 5.10 Disney Time: Christmas visit to the world of Walt Disney.
5.55 Evening News.
6.05 Jim'll Fix It.
6.45 Blankety Blank.
7.25 The Two Ronnies.
8.15 "The Towering Inferno": *Spectacular feature film* with Steve McQueen, Paul Newman and William Holden.
10.55 News and Sport.
11.10 Boxing Night At The Mill.

All Regional programmes as BBC-1 except as follows:

BBC Cymru/Wales — 9.15-9.30 am Sioncyn Sboncyn. 11.10 pm-12.00 am BBC Welsh Symphony Orchestra conducted by Gyorgy Lehel, plays Chaikovsky's Symphony No. 5 *in* E minor. 12.00 am News and Weather for Wales.

Northern Ireland — 12.10 am News and Weather for Northern Ireland.

BBC 2

11.00 am Play School.
12.45 pm Racing from Wincanton: 1.00, 1.30 and 2.0.
2.15 The Story of Christmas: Award-winning cartoon.
2.25 Fred Astaire in "The Barkleys Of Broadway," with Ginger Rogers.
4.10 "Funny Face," with Audrey Hepburn.
5.55 Monkey in "The Fires Of Jealousy."
6.25 One Hundred Great Paintings: Eakins (1844-1916).
6.45 In The Country: Brian Carter recalls images of Dartmoor as it was.
7.15 News Summary.
7.25 "The Nutcracker," with Mikhail Baryshnikov and Gelsey Kirkland, artists of the American Ballet Theatre and The National *Philharmonic.*
8.45 "Plain Murder," by C. S. Forester.
10.25 The World Land Speed Record: Raymond Baxter takes a nostalgic look back to the days when Campbell, Cobb and Seagrave were national heroes.
11.10 Walter Matthau in "The Secret Life Of An American Wife."

BBC-2 Wales Only—10.15-11.00 am Yr Afal A'r Esgid. 11.25 am-12.15 pm The Bells Of Astercote.

LONDON

9.00 am Puff The Magic Dragon in The Land of the Living Lies. 9.25 The Sooty Christmas Show. 9.50 Rainbow Christmas Show. 10.15 The Last Giraffe 12.00 pm Christmas Star Games. 1.00 ITN News. 1.05 Boxing Day Racing from Kempton Park, covering the 1.10, 1.40 and 2.15 races. 2.30 *Zulu Dawn, starring* Burt Lancaster, Peter O'Toole and Simon Ward. 4.45 The Roman Invasion of Ramsbottom.
5.45 News.
6.00 Survival Special: "Penguin Christmas."
7.00 Earthquake (1974), starring Charlton Heston and Ava Gardner.
9.30 The Thoughts of Chairman Alf . . . at Christmas . . . On Yer Actual Boxing Day.
10.00 News at Ten.
10.15 An Audience with Dame Edna Everage.
11.15 Benson.
11.45 The Electric Theatre Show, with *Mike* Riddoch.
12.15 am It's Christmas! . . . In The Caribbean.

All IBA regions as London except at the following times:

ANGLIA

11.15 pm The Pirates of the Pirates of Penzance starring Spike Milligan, Ian Wallace and Vivienne Ross. 12.00 am A Carol for Christmastide.

ATV

11.15 pm The Pirates of the Pirates of Penzance.

BORDER

10.00 pm News and Border weather. 11.15 The Pirates of the Pirates of Penzance.

CHANNEL

5.45 pm News followed by Channel Islands weather. 10.00 News followed by Channel Islands weather. 11.15 The Pirates of the Pirates of Penzance. 12.00 am Barney Miller. 12.25 Weather.

GRAMPIAN

8.55 am First Thing. 11.15 pm The Pirates of the Pirates of Penzance. 12.00 Reflections. 12.05 am Next Step Beyond.

GRANADA

11.15 pm The Pirates of the Pirates of Penzance. 12.00 am Five Card Stud.

HTV

11.15 pm The Pirates of the Pirates of Penzance. 12.00 am A Carol for Christmas. 12.05 Weather.
HTV Cymru/Wales—As HTV West except: 12.00-12.30 pm Christmas Runaround. 12.30-1.00 Oynas e'i Lama.

SCOTTISH

10.15 am Legend of the Christmas Messenger. 10.45 Billy Smart's Christmas Circus. 11.20 pm The Pirates of the Pirates of Penzance. 12.05 am Barney Miller. 12.35 Late Call.

SOUTHERN

11.15 pm The Pirates of the Pirates of Penzance. 12.00 am Benson. 12.30 Weather followed by Father's Christmas.

TYNE TEES

8.55 am The Good Word. 11.15 pm The Pirates of the Pirates of Penzance. 12.00 am A Yorkshire Childhood. 12.30 Newcastle Catholic Chaplaincy Sing.

ULSTER

5.43 pm Ulster News. 10.14 Ulster weather. 11.15 The Pirates of the Pirates of Penzance. 12.00 am News at Bedtime.

WESTWARD

8.50 am Soldiers Of The King. 11.57 Gus Honeybun's Birthdays. 11.15 pm The Pirates of the Pirates of Penzance. 12.00 am Barney Miller. 12.25 Soldiers Of The *King.*

YORKSHIRE

11.15 pm The Pirates of the Pirates of Penzance. 12.00 am Superstar Profile.

RADIO 1

(S) Stereophonic broadcast
‡Medium wave only

6.00 am As Radio 2. 7.00 Dave Lee Travis. 9.32 Noel Edmonds *with* Christmas at Dingley Dell. 11.32 Kevin Keegan plays some of his favourite records including 12.30 pm Newsbeat. 1.00 Adrian Juste (S). 2.32 A Musical King in New York with Jonathan King (S). 4.32 Read and Wright with Mike Read and Steve Wright (S). 8.32 Roxy Music in Concert (S). 7.30 Anne Nightingale. 10.02-12.00 am The Friday Rock Show with Tommy Vance (S).

RADIO 2

5.00 am News Summary. 6.02 Ray Moore (S) including 8.03 Racing Bulletin. 8.06 Terry Wogan with musical memories of 1980 (S). 10.02 Des O'Connor's Star Choice (S). 11.02 Cilla Black's Music Box (S). 12.02 pm The Stereo 30s with the Midnite Follies Orchestra (S). 1.02 Listen to Les. 1.30 Boxing Day Sports Special: Racing (1.30, 1.40, 2.10, 4.50 and 5.45) *from Kempton Park.* League Football (1.30, 2.00, 2.45, 3.00, 3.45, 3.50, 4.42, 5.00, 5.50) Second-half commentary. Brain of Sport Challenge (3.05): This year's three quiz finalists v three BBC sports commentators. 5.00 Sports Report including 5.00 Classified Football Results; 5.25 Rugby round-up/Cricket; 5.43 Classified Racing Results/Football Results. 6.03 The Grumbleweeds' Christmas Party. 7.02 John Dunn. 8.45 Friday Night is Boxing Night with the BBC Concert Orchestra and the Band of the Coldstream Guards (S). 10.02 Hubert Gregg says Thanks for the Memory. 11.02 Sports Desk. 11.10 Brian Matthew with Round Midnight including 12.00 am Midnight Newsroom. 2.02 am-5.00 You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Morning Concert: Sibelius, [illegible] Britten (mono), Saint-Saëns, Mendelssohn (S). 9.00 News. 9.05 This Week's Composer: Dvorak (S). 9.50 Christmas Concert (Part 1): Schutz—The Christmas Story (S). 10.30 Interval Reading. 10.40 Christmas Concert (part 2): A sequence of music by Praetorius, Walther and Hassler. 11.45 Dong-Suk Kang: Recital for solo Violin: Ysaye, Kreisler, Prokofiev (S). 12.15 pm Midday Concert (Part 1): Vaughan Williams (S). 1.00 News. 1.05 Midday Concert (part 2): Holst, Britten, Arnold (S). 1.50 Beethoven and Chopin Chamber music recital (part 1): Beethoven, Chopin (S). 2.55 Interval Reading. 3.00 Recital (part 2): Beethoven. 3.55 Handel's Voices: Russell Oberlin talks about the singers of Handel's day (S). 4.30 Annie Fischer Piano recital: Kodaly, Schumann. 5.15 King Bolden: Portrait of the life of negro jazz cornetist Buddy Bolden. 6.00 Mozart Sonatas for Violin and Piano. 6.30 The Musical Offering by Bach (S). 7.30 Eugene Onegin by Pushkin and Prokofiev: A performance of Prokofiev's opera (part 1) (S). 8.55 Parents Race: Story by Tim Partington. 9.10 *Eugene* Onegin (part 2) (S). 10.05 Vladimir Ashkenazy plays Chopin's Piano—Sonata Op. 4 (S). 10.35 Bach's First Christmas at Leipzig: Performance of Bach's Cantata No. 40 (S). 11.00 News. 11.05-11.15 The Final Problem by Arthur Conan Doyle.

RADIO 4

6.25 am Shipping forecast. 6.30 Eric Coates Suite: The Three Elizabeths (S). 6.55 Weather. 7.00 Today, including 7.00, 8.00 Today's News, 7.30, 8.30 News Headlines, 7.45 Thought for the Day. 8.30 ". . . And Yet Another Partridge in a Pear Tree." A cautionary tale for Christmas by Brian Sibley. 8.55 Weather. 9.00 News. 9.05 Desert Island Discs. 9.45 Daily Service (S). 10.45 Story Time: Tom's Midnight Garden by Philippa Pearce. 11.00 News. 11.05 Norman Shelley: "A Man of Many Voices": Tribute to the actor Norman Shelley, who died this year. 11.40 It's Still Great Britain: From BBC correspondents at home and abroad. 12.27 pm What Ho! Jeeves by P. G. Wodehouse. 12.55 Weather. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 Catch Me A Butterfly (S). 2.45 Afternoon Theatre: "The Wild Swans" by John Peacock, based on Hans Christian Andersen (S). 4.00 Foreign Correspondent: The excitement, frustration and challenge of being a foreign correspondent for the BBC. 4.55 My Delight with George Melly. 5.00 PM. 5.50 Shipping forecast. 5.55 Weather. 6.00 The Six O'clock News. 6.05 Quote . . . Unquote (S). 6.50 Through My Window: Sir Bernard Lovell considers the evening view from Jodrell Bank. 7.00 News. 7.05 The Archers. 7.20 Pick of the Year: Extracts from BBC radio and television programmes (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter From America by Alistair Cooke. 9.30 Old Took's Almanac: An alphabetical anthology of showbusiness (S). 10.00 *News.* 10.05 *Welsh National Opera* Company in a Musical Evening. 11.05 The Countryside at Christmas. 11.50 It's Just Like Playing With Sand: A visit to Whitechapel Bell Foundry. 12.00 News; weather report; forecast, followed by an interlude. 12.15 am Shipping forecast.

London Broadcasting

8.03 am Guy Hornsby and Mike Gray: What's happening in and around London. 10.00 David Carter's Boxing Day Show: Selection of best-sellers of 1980. 6.02 pm Stuart Colman's Rock Biz Quiz. 7.00-5.00 John Radio 2.

Capital Radio

7.00 am Peter Young. 11.00 "The Princess and the Eight Frogs" pantomime [illegible]. 12.00 Mike Allen. 5.00 Richard Digance and friends at the Royal Festival Hall. [illegible] 12.00 am Richard Allinson's Night Flight.

THE ARTS

Sadler's Wells Theatre

The Sorcerer by ARTHUR JACOBS

The trouble is not, as is sometimes supposed, that the D'Oyly Carte Opera Company is too rigidly bound by tradition. It is that its management seems to have no idea of which traditions in performance should be cherished as essential to the piece, and which should be pruned away as lifeless. Monday night's performance of *The Sorcerer* — opening the company's Christmas season in London — demonstrated the point only too well.

The Reverend Dr. Daly, that splendid comic creation of an elderly vicar diffidently in love, needs a flageolet to play on, as part of his amorous response to the beauties of nature. Gilbert's text gives him the instrument; Sullivan's music actually provides its sound (on an orchestral flute). It is really a crass insensitivity that this production deprives Dr. Daly of his flageolet while retaining the worn-out, meaningless gestures and steps of the chorus and minor characters. The "village idiot" may have once been a possible figure of fun; he now leaves only a bad taste, like Gilbert's reference to the working man as "a noble creature when he is quite sober."

The Sorcerer is, admittedly, a "sticky" piece. The first collaboration of Gilbert and Sullivan of a full evening's length (apart from the lost *Thespis*) it flows less easily than the later operettas—even when performed, as invariably these days, with revisions by the librettist and composer themselves. It is over-stuffed with the stage equivalent of drawing-room ballads, and with recitatives. But what drags it down further is James Conroy-Ward's vulgarisation of the title-role, compounded in song by sloppy diction and a bad Cockney accent. This is to make John Wellington Wells a Petticoat Lane cheapjack whereas Gilbert's fantasy hinges on a firm of respectable Family Sorcerers, with Mr. Wells even capable of being "hurt" (stage direction) when that respectability is momentarily challenged.

With Fraser Goulding conducting (so much more flexible and responsive than his predecessor), the music generally goes well. The veteran Kenneth Sandford, this time not given an over-taxing part, makes a perfectly delightful, unexaggerated Dr. Daly. As Alexis, pitifully robbed of his Guards Officer's uniform in this production, Meston Reid shows himself a strong singer and an actor who would go far if creatively stimulated: he makes quite a happy shot at converting this rather pallid hero into a totally self-confident, amusing, handsome blockhead. Both of the leading young women (Barbara Lilley, Lorraine Daniels) are charming: the former would be all the more so without that squeak in her spoken voice which I do not doubt springs again from misconstrued tradition, because no one with any present-day sense of the stage could have invented it.

Palladium

Dick Whittington by B. A. YOUNG

Produced by Albert J. Knight, his thirteenth Palladium pantomime; designed by Tod Kingman, his seventeenth; costumes by Cynthia Tingey, her fourteenth—you don't see much change in *Dick Whittington*. There are 17 colourful sets with a dancing chorus whenever possible; an all-white dream scene; "black theatre" introducing the fishy events at the bottom of the sea; the palace of the Sultan of Morocco; and of course Cheapside in the early 15th century, when the Thames ran near enough to give us a sight of Alderman Fitzwarren's slipper, and a glimpse of rural Gloucestershire where a Cockney boy resolves to become Lord Mayor of London.

The players are in our sitting-rooms on television screens every day, and we greet them like old friends. The formula is fool-proof, and the audience, old and young, roared, screamed, yelled and laughed their approval, boo-ed King Rat, cheered Dick, clapped the dancers and the conjurer.

Newcomers to the team are Nick Chelton, the lighting man, and Lionel Blair, who not only plays the High Sheriff of London but has also directed the show, choreographed it and written the book in collaboration with Mr. Knight. It isn't much of a book, nobody even says "Turn again, Whittington!" unless perhaps the line was accidentally omitted, for the company isn't quite what you'd call word-perfect yet.

But we have a hero, Dick, played by Jim Davidson, a stand-up comic who could do with some better material; a girl for him to fall in love with, Alice Fitzwarren (Jacqueline Reddin); a potential father-in-law in the person of Clive Dunn in his familiar image; Mr. Blair as a rival, entranced with his own performance; a pair of spare comics, Windsor Davies and Melvyn Hayes, who are engaged as captain and mate of the Fitzwarren ship, hired apparently from the Onedin Line.

Working constantly against the City is King Rat, in a performance by Victor Spinetti infinitely better than anyone else's. I could even hear his voice from Row G; all I heard from the rest was the reproduction through the vast range of loudspeakers that encircles the proscenium, so that if I closed my eyes I didn't know where anyone was on the stage.

I don't complain; this is pantomime as we know it in the eighties, with a male principal boy who never even gives us a flash of his thighs, and a female principal girl, and no dame at all. Well, I do complain about that. Mollie Sugden as Fitzwarren's cook can be funny enough, but if I'd been Mr. Blair or Mr. Knight, I'd have made her Alice's mum and cast Clive Dunn as the cook. But I suppose I'm old fashioned; and after all, things didn't go so badly. You should have heard the kids.

Leonard Burt

Jim Davidson and Jacqueline Reddin with Derek Holt (The Cat) in Dick Whittington

Players'

Cinderella by MICHAEL COVENEY

Christmas at the Players' Theatre in Villiers Street, Charing Cross, inevitably means burlesque pantomime. The "Cinderella" story reached the English stage in 1804, but it was H. J. Byron's 1860 "Fairy Burlesque Extravaganza" that first established its popularity. Byron's awful puns, unscanned lines, rhyming couplets and Shakespearian quotations are the groan-inducing essence of Victorian pantomime. His *Babes in the Wood*, which I saw on my last visit here in 1976, is a travesty of *Macbeth*.

In *Cinderella* there are *King Lear* parallels barely touched on in Archie Harradine's long-standing Players' version in which the Baron Balderdash's ugly daughters are named Clorinda and Thisbe. Maurice Browning's version sets the action in Tipperary with the bastard Edmundo Dandini ("Dandini boy") delivering the visiting cards to Goner and Regan, the whip-cracking bossy offspring of Baron O'Leary.

As in Byron, Dandini and the Prince exchange roles in order not to alarm the heroine, in this case Cordella, with an effusion of royal devotion. And the Fairy O'Lympia, magisterially portrayed by Eleanor McCready, trips through the castle's environs with three attendants here named Rosamunda, Rosatuesda and Rosawednesda (Schubert's ballet music is partly responsible).

As usual, there are musical quotations from Mozart, Donizetti, Rossini, Verdi and Wagner. Graham Trew as the Prince has a voice that is thin but pleasant and true, and the entire company responds with appropriate jollity to Doreen Hermitage's basic, robust musical staging. One gondola number is particularly amusing, the Prince whisking Cordella off to Venice at the drop of a front-cloth while the fairies go through a camp routine and O'Lympia gets her paddle stuck in the mud. Geoffrey Brawn is at the piano and direction of Reginald Woolley is as competent as you would expect at this address.

*

At the May Fair, the annual Sooty show, playing thrice daily, is *Captain Sooty of Sea!* Although Matthew Corbett is in charge these days, his father's voice can be heard in the magic cave sequence. This was some consolation for the fact that Matthew and the yellow bear do not have as creative, I mean destructive, a relationship as, by tradition, they should. My three-year-old was unimpressed by this critical caveat, preferring to join in the songs, squeal at the pirates, salute the Captain, and admire the flags and frolics on the ship's poop.

The Met reopens

by ANDREW PORTER

The Metropolitan Opera season opened in New York, 11 weeks late, with a performance of Mahler's Second Symphony, for orchestra and chorus — as if in grateful acknowledgment that the Met orchestra and the Met chorus, whose requests for better treatment had kept the house dark for so long, are indeed the backbone of the company. That the symphony is nicknamed the "Resurrection," after the first choral cry in its finale, also made it appropriate.

The conductor was James Levine. Despite the assurance in the New Grove that he is "an outstanding Mahler interpreter" and despite his long string of Mahler recordings, he has never struck me as such. His performance was at once stiff, metronomic, and unmoulded, and incoherent — no long flow, no emotional phrasing, no eloquence, no feeling. There were carefully considered details, isolated points that pleased.

Over the execution it would be kindest to draw a veil, but I suppose I had better say something. An orchestra that has not played Mahler before can't be expected to get him right first time, but one might have hoped for fuller string tone, clearer woodwind, and more accurately tuned brass chording. The disposition on the stage was odd. First and second violins were left and right, and that was pleasing: the first time I've ever heard it in New York, and it does make a difference—for the good. But the double-basses were at cover point, which didn't make for good balance.

Without risers, the woodwind hardly broke through the front bastion of strings. But the heavy percussion was all front of the proscenium arch—and vulgarly, unbearably loud. The stage was set shallow, in front of tall wooden screens taken from the *Don Carlos* décor. The chorus, 120-strong, sounded scrawny. Marilyn Horne, the alto soloist, sounded hollow and had no legato. Judith Blegen, the soprano, soared sweetly.

I *expected more*. When the Met orchestra last gave a concert—of Wagner and Strauss, composers it knows—it seemed indisputably the better of New York's two orchestras. Levine would obviously prefer to conduct concerts with his own orchestra rather than with the Philharmonic. And the players welcome the chance of coming up out of the pit. This Mahler Two can be considered a start. But thought will have to be given to the placing and framing of the orchestra.

The Met's Christmas fare is *Lulu* (the most adventurous opening-opera-night choice in its history) and the chippy-chippy-chop of *Les Carmélites*. Oh, also *Cav-'n'-Pag* and *Hansel and Gretel*. More (at any rate about *Lulu*) later.

St. John's, Smith Square

Cherkassky

Shura Cherkassky's BBC lunchtime recital on Monday was a lavish Christmas cracker, stuffed with unrelated things—bejewelled items by Mendelssohn and Chopin, a string of detonations by Stravinsky, an old joke by Godowsky. Cherkassky waved each new object about with infectious glee, but never falling into the second-rate conjuror's error of adopting an all-purpose virtuoso manner. On the contrary, he had a new manner of address for each composer; reporting what he did is more than usually pointless since—being the pianist he is—he will play each piece differently next time.

Some marginal notes. Cherkassky gave his Mendelssohn (the interesting E minor Prelude and Fugue from op. 35) a soft, feathery brilliance instead of the bright finger-attack one might have expected, and led the Fugue up to its surprise chorale with perfect naturalness. In two Chopin nocturnes (the early B major and the F minor) he discovered unexpected similarities, spelling out a frail, disconsolate line in each, allowing their respective lilts to dwindle into sad memories. Full-blooded dancing was reserved for Godowsky's overflowing fantasy on Strauss's "Wine, Woman and Song": an old Cherkassky party-piece, newly fresh as always, with affectionate and witty details appearing unpredictably in the foreground as the multiple-image waltz swept on.

Though Stravinsky arranged his Three Movements from *Petrouchka* for Artur Rubinstein, pianists—those few who attempt the transcriptions in public—generally strive after the original orchestral effects. Yet the piano writing is enormously rewarding in its own right, and it was after all Stravinsky's last ambitious sketch for the solo instrument. Cherkassky played with some orchestral timbres, but the spirit of his reading was exuberantly black-and-white, as if to show that the piano-script is sufficient to itself. That it is, when it is realised with Cherkassky's springing clarity; one regretted acutely Stravinsky's failure to carry through his original intention, which was to make a concerto-confrontation between a mischievous, Eulenspiegel-ish piano and the orchestra. Cherkassky would have been an ideal protagonist.

DAVID MURRAY

Holiday on Ice

A thousand, or two, brownies can't be wrong and their response to this lavish spectacular was almost enough to melt the ice. It has extravagant costumes; comic routines; a bizarre novelty (badminton on ice played by ex-world champions): and to top it all, Robin Cousins, who gets a rousing welcome for his first professional appearance in the UK at the Wembley Arena.

Ice shows can be tatty but money has been wisely invested here. It is an international production, designed to tour the world, and from the large orchestra to the dozens of chorus line skaters it is rich with trimmings but also quite effective in the set pieces—an Alice in Wonderland routine for the kids; dances from Die Fledermaus for the parents; and a New Orleans routine for everyone. Everything is kept quite short so if clowns getting wet bore you there will soon be a couple of young skaters pirouetting around the ice.

Robin Cousins is the undoubted star. He does his Olympic routine, with variations, and later shows his class in a jazz background. He gives heart to what might have been rather a soul-less show and if he can maintain his vim throughout the 99 performances he is contracted for at Wembley everyone involved with the venture, including the audiences, can relax and enjoy themselves.

ANTONY THORNCROFT

Television

Bragg comes clean

by CHRIS DUNKLEY

It has taken a couple of years to become clear but it seems that Melvyn has made his mind up, though it turns out that his choice is not (quite) either of those outlined here. I will explain.

In March 1978 under the headline "Make your mind up time for Melvyn" this column declared that Melvyn Bragg could either be the editor/presenter of a television arts series which appealed to literally millions of people by featuring what is known in the music business as "middle of the road" material, or he could attract the adulation of the "intellectuals" and "highbrows" in the "cultural establishment" (phrases taken from one of his own articles). It was highly unlikely, I suggested, that he would ever manage both at once.

Edward Petherbridge as Lytton Strachey and Joanna David as Dora Carrington in "No Need to Lie."

At that time, you may remember, Bragg was devoting the first half of London Weekend's *South Bank Show* to a studio chat session and the second half to a rather longer treatment of some usually popular figure from what might at a stretch be called the arts, but would often more accurately be termed show business. This was not an unalterable formula, more high-brow material being featured from time to time. But Bragg did interview film star Ingrid Bergman and chat show star Quentin Crisp, and we were regaled by TV detective Alfred Burke offering his opinion after reading his first Simenon novel, and cartoonist Gerald Scarfe dismissing playwright David Mercer in a sentence. Second half subjects included Ken Dodd, Paul McCartney, and the man behind the music for the Hamlet cigar commercials, Jacques Loussier.

The tone veered between earnest trendiness and that demotic appeal so beloved of television channel controllers who dream of capturing the *Crossroads* audience with a series that will nevertheless be recognised by Bridget Plowden and the IBA as "Culture."

There was no abrupt alteration, but now, three seasons later and with the first half dozen in the current series already transmitted, the change in the programme is clear. Of this year's six episodes five have devoted all their time to single subjects: playwright Arthur Miller, novelist William Golding, Stravinsky's "The Firebird," Lytton Strachey, and the National Theatre's "The Passion." The only split programme covered the Royal Shakespeare Company's "Nicholas Nickleby" and Kurosawa's "*Kagemusha*."

It is true that the second half of the season sounds rather less serious since it includes programmes on pop song writers Leiber and Stoller, Broadway musical director Bob Fosse, and two cinema items. Perhaps they will combine to push the position of the show back nearer to the middle ground of pop culture.

But an assessment on the evidence of the current season so far suggests that Bragg has found the courage of his convictions and that his convictions are those of so many among the middle class intelligentsia: solid, conventional and, by and large, uncontroversial, holding that artistic value has more to do with prolonged application than with effortless inspiration, but that in both cases individual genius will nearly always come before, and count for more than, group achievement.

His thinking in this area was made pretty plain during the interesting arts-audit programme under the twee title *Arts UK—OK?* presented by Joan Bakewell on BBC 2 on Saturday. In response to a query from her about the desirability of Arts Council members reinforcing existing values Bragg responded firmly: "It depends on whether you think existing values are worth having—I do."

If it seems vaguely perjorative to present that as a summary of Bragg's (and therefore the *South Bank Show's*) central concerns it is evidence of the power of fashion and not of any intended slur. Even though my own tastes would be for more experimental material than we get in the *South Bank Show* I am entirely with Bragg in preferring to work outwards from works of art towards conclusions about life rather than following the fashion spread wide by the Marxists and semiologists who work from political and social preconceptions backwards to the artefact, starting with the tacit assumption that the work of a group will always be better than that of an individual.

The dominant identification of the *South Bank Show* with Bragg will doubtless infuriate the other producers who contribute so much to it. Yet he has proved that, as it was in the beginning with Richard Dimbleby and *Panorama*, so it is now an enormous advantage to have one increasingly familiar face fronting a long-running series.

More significant though it is now possible, I think, to see that it is not just Bragg's face but his preoccupations that play a central part in the programme. His personal fascination with the detailed workings of the creative process become very clear whenever he interviews a writer; when he talked to William Golding and Arthur Miller the importance of his own experience as the author of 11 novels was just below the surface of almost every question. It may well be his sympathetic fellow feeling that ocasionally makes him too soft an interviewer.

Nor does this special interest appear to stop at those programmes in which Bragg himself is the interviewer. Biographer Michael Holroyd wrote and presented the episode on Lytton Strachey and Dora Carrington yet it, too, became heavily involved in considering the different ways writers communicate when it used extracts from Peter Luke's and Christopher Hampton's plays.

It is surely not too far fetched to see Bragg's influence as editor behind both the *South Bank Shows* which have won the Prix Italia for music programmes, though Derek Bailey made the one on Macmillan's Mayerling and Tony Palmer the other on Benjamin Britten. Seen in the light of subsequent evidence, their concentration on the minutiae of the creative process looks like more than coincidence.

There are times when this desire of Bragg's to analyse creativity allied to his instincts as a teacher became counter productive: during the National Theatre's version of *The Passion*, for instance, his periodic interruptions to interview members of the cast and production team served more to break the flow than to fill in background.

In the long term, however, what is most significant is that the National Theatre was his subject. It seems that Melvyn has made up his mind neither to launch out into the flood tide of mass audience pop culture nor to venture into avant garde tributaries seeking the approval of effete pointy-headed intellectuals, but instead to stay, most of the time anyway, in the mainstream of solid good taste, whenever possible tracing this back to its various sources and closely examining its creative well-springs.

In particular he seems concerned, at present anyway, to explore the work and the careers of artists who are in the latter part of their lives: Miller, Golding, Wyeth, Kurosawa, with Sir William Walton to come at Easter in another of Tony Palmer's film biographies. As with Parkinson's chat show, the process seems self-perpetuating: get three or four of the big names and the others happily follow.

Watching the opposite extreme in *Toyah*, ATV's hour long pop culture show-reel documentary about punk singer and aspiring actress Toyah Wilcox, one could only conclude that Bragg seems to have got his priorities about right. Ms Wilcox, who exudes lashings of feminism but no femininity, strikes one on screen as a latterday female *Simon Dee*: someone who has picked up the current "buzz words" and assorted fashionable attitudes and has learned to trot them out when cued by a TV director. Though the programme suggested that she comes from a very comfortable middle class background she affects a glottal-stop prounciation for such gems as: "Being on tour's the most knackerin' thing you'c'o do."

Acting is "incredibly exciting" though if she had only one such career that would be "incredibly frustrating." She lives in a warehouse in Battersea and likes to have around her "objects of mystique." Of her own stage presence as a punk singer she declares "I carn 'elp it if I'ave so much charisma I wipe four blokes off the stage," and when on stage she delivers lines such as "Satanic mills! Conceptive pills!" in a shrill little voice at the youths who pogo, trance-like, in front of her.

Her stage act, as derivative and superficial as everything else about her, is equal parts Kate Bush and Lene Lovitch and her acting ability—judging from recent roles in *Minder* and *Jekyll and Hyde*—is so ordinary that the scores of highly talented actresses coming out of drama school must wonder what they have to do to get a part.

The answer, unfortunately, is that television is more interested in a display of daylight orange hair than a display of real talent. Bragg seems to be settling more and more for real talent.

BASE LENDING RATES

Bank	Rate	Bank	Rate
A.B.N. Bank	14 %	■ Guinness Mahon	¶14 %
Allied Irish Bank	14 %	■ Hambros Bank	14 %
American Express Bk.	14 %	C. Hoare & Co.	†14 %
Amro Bank	14 %	Hongkong & Shanghai	14 %
Henry Ansbacher	14 %	Keyser Ullmann	14 %
A P Bank Ltd.	14 %	Knowsley & Co. Ltd.	16 %
■ Arbuthnot Latham	14 %	Langris Trust Ltd.	14 %
Associates Cap. Corp.	14 %	Lloyds Bank	14 %
Banco de Bilbao	14 %	Edward Manson & Co.	15 %
BCCI	14 %	Midland Bank	14 %
Bank of Cyprus	14 %	■ Samuel Montagu	14 %
Bank of N.S.W.	14 %	■ Morgan Grenfell	14 %
Banque Belge Ltd.	14 %	National Westminster	14 %
Banque du Rhone et de la Tamise S.A.	14½ %	Norwich General Trust	14 %
Barclays Bank	14 %	P. S. Refson & Co.	14 %
Bremar Holdings Ltd.	15 %	Rossminster	14 %
Brit. Bank of Mid. East	14 %	Ryl. Bk. Canada (Ldn.)	14 %
■ Brown Shipley	14 %	Slavenburg's Bank (NV)	14 %
Canada Perm't Trust	15 %	E. S. Schwab	14 %
Cayzer Ltd.	14 %	Security Trust Co. Ltd.	15 %
Cedar Holdings	14 %	Standard Chartered	14 %
■ Charterhouse Japhet	14 %	Trade Dev. Bank	14 %
Choularons	15 %	Trustee Savings Bank	14 %
C. E. Coates	14 %	Twentieth Century Bk.	14 %
Consolidated Credits	14 %	United Bank of Kuwait	14 %
Co-operative Bank	*14 %	Whiteaway Laidlaw	14½ %
Corinthian Secs.	14 %	Williams & Glyn's	14 %
The Cyprus Popular Bk.	14 %	Wintrust Secs. Ltd.	14 %
Duncan Lawrie	14 %	Yorkshire Bank	14 %
Eagil Trust	14 %		
E. T. Trust Limited	14 %		
First Nat. Fin. Corp.	16½ %		
First Nat. Secs. Ltd.	16 %		
Robert Fraser	14 %		
Antony Gibbs	14 %		
Greyhound Guaranty	14 %		
Grindlays Bank	‡14 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 11½%, 1-month deposits 11¾%.

† 7-day deposits on sums of £10,000 and under 11½%, up to £50,000 12%, and over £50,000 12½%.

‡ Call deposits £1,000 and over 11½%.

¶ 7-day deposits 12%.

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Anti-money: a fairy story

We regret that owing to industrial circumstances beyond our control, we have been compelled to substitute for our usual comment on editorial written in December, 1981.

LOOKING back at the remarkable transformation of our affairs over the past 12 months, one must take a seasonably charitable view of the errors of forecasters and analysts, including ourselves. Not only will 1981 go down in history as the year in which it was a pleasure to be wrong, but we would plead on behalf of the entire fraternity of "experts" that no one did or could foresee that the Gordian knot would be cut by the Energy Secretary, Mr. David Howell.

Indeed, the Cabinet itself initially regarded the issue of North Sea oil bonds as a perfectly routine funding-cum-privatising operation and devoted little time or attention to the details—an oversight which was, perhaps, providential. It was left to a copywriter at Messrs Saatchi and Saatchi, who were entrusted with publicising the new issue, to realise that a bond indexed to the price of oil, but encashable by the Government on demand, was a pretty remarkable investment. The huge hoardings proclaiming "North Sea Bonds — Money Plus!!" are already a fading memory; the issue was such an overwhelming success that they were an embarrassment to the authorities within days of their appearance.

Pleasurable shame

It is at this point, perhaps, that the City analysts—again including ourselves—should perhaps hang our heads in pleasurable shame; for far from welcoming this development, they greeted it with satire. It was rumoured that the monetary officials at the Treasury, feeling the need to provide against encashment, threatened to include holdings of oil bonds in a revised definition of M3. A broker's circular, commenting on this, remarked that on the contrary, the bonds should be classified as a new form of high-powered money

It was only a characteristically blunt intervention from Professor Alan Walters, Mrs. Thatcher's personal adviser, which averted what could have developed into the first refunding crisis. Called into a Cabinet meeting, he soon settled the matter; his observation that the country would never have got into a state to need his services if our officials knew what was money and what wasn't was widely leaked within hours

Of course, an earlier authority, Sir Thomas Gresham, had settled the question some centuries earlier The oil bonds had far too much merit to be used in settlement. Thus never have Government securities been more firmly held. What followed should have been predictable: the holders of oil bonds, having exhausted their own cash holdings to purchase them, immediately lodged them with their banks and relied henceforward on overdrafts and credit-card facilities to settle their day-to-day business.

In the normal course of events, it might be thought that the virtual disappearance of personal deposits, coinciding with a large rise in loan demand, would have caused a first-rate monetary crisis, but this was averted by the prompt action of the banks themselves.

Looking elsewhere

The institutional investors, cut off from their normal supply of Government stock, began to look elsewhere for securities and readers will remember the brief sterling crisis last spring as they turned their attention to the admittedly unattractive markets overseas. However, within days the first large offering of bank bonds completed the circle; attractively priced and backed by the remarkable earning capacity of the banking system, they were eagerly taken up from the start—especially after Mullens and Co., the former Government brokers, decided to specialise in bank bond issues to replace their lost gilt-edged business. Again, some analysts were critical; but as Professor Walters reminded an institutional investment seminar, a 25-year bank bond was no more like money than a 25-year Government bond—and no doubt every bit as gilt-edged.

The collapse of the recorded money supply which resulted from these developments was widely assessed as a distortion—a negative version, as it were, of the explosion of the money supply in the later months of 1980. Indeed the Chancellor, in his expansionary autumn budget statement, said that the Government would have now to impose limits on the growth of the money supply from its new, much lower, base. He added that in view of the controversy over substituting oil and bank bonds for money, he would also pay close attention to the growth of credit.

What followed, however, was a complete surprise to everyone. Both money and domestic credit ceased to grow at all. They have been completely static on the unadjusted figures since October (though the seasonal adjustments, reflecting old pattern, have contiuued to excite the City with wide swings).

With hindsight—it is easy enough to explain this denouement. It is only in the mixed world where some people hold money and others borrow it that statisics swing about in a dramatic way. In a world in which all debts were settled in notes and coin, no private transactions would have any effect at all on the money supply; only the Royal Mint could achieve that. Otherwise specie would simply pass from hand to hand.

Premier denies U-turn

We have now achieved the corresponding world of what might be termed anti-money. When everyone is in the red (though solidly secured through oil bonds) private transactions simply shift debt from one account to another; the total can never grow. It is true that when credit is used to finance a weak balance of payments, such as may result from this celebratory Christmas, foreigners do acquire sterling bank balances; but under the wise dispensations of Sterling M3, these holdings do no count.

Was it a U-turn? Mrs. Thatcher firmly denies it. As she remarked in a recent television interview: "I said I'd control the money supply and in fact I've abolished it." Others, noting the sharp change in our economic affairs, reaching its climax in the present unprecedented Christmas celebrations, do not greatly care if it is because Mrs. Thatcher became an anti-monetarist or, as she might prefer, an anti-money-tarist.

CHRISTMAS 50 YEARS AGO

December 1930 was a sombre month . . . Britain then was preoccupied with many of the problems which still preoccupy Britain today

By David Bell

Christmas 1930: Left, a Christmas tree from London's Caledonian Market; above, window shopping at a West End store; right, winter fuel, King George VI's gift to the people of Windsor.

"Only by rigid economy can this or any other government confer upon industry that relief which it sorely needs . . . there is abundant room for reduction without calling into question necessary administrative and social outlays."

FAMILIAR WORDS, which could have been written yesterday. But they are in fact part of a Financial Times editorial which appeared just before Christmas 50 years ago at the end of a year in which the full gravity of the depression had become clear.

December 1930 was a sombre month. Parallels should not be stretched too far—and the reasons for the gloom that year were different from what they may be now—but the similarities with December 1980 are striking. Britain then was preoccupied with all too many of the problems which still preoccupy Britain today.

By Christmas 1930 the number of people out of work had reached 2.5m. The total, as this year, had climbed unexpectedly swiftly and was up by 1m during the year. About 11 per cent of the 21m workforce was unemployed (it is now about 9.5 per cent of a larger workforce) and in the Commons a beleaguered Labour Government was pressing for more money to pay the extra cost of unemployment benefit.

It was, as it always seems to be, worst in the North. Stockton, wrote J. B. Priestley, looks "like a theatre kept open merely for the sale of drinks in the bar and chocolates in the corridors." The problem, John Maynard Keynes wrote to a friend just before Christmas, is that "we have magneto trouble. How, then can we start up again?"

Still, Christmas was Christmas. The last day for posting was December 23 and the Post Office, which was handling 50m letters and cards a day, promised final delivery on Christmas Day. There was a full train service on December 25, with dining cars specially decorated for the day. Passengers on Christmas trains ate their way through 5,000 lbs of turkeys.

The shops were full and a case of 12 bottles of Macon Rouge from Harrods was just 47s. The cheapest Hornby train set was 5s., the most expensive just under £5. A good Harris Tweed suit from Austin Reed was 6½gns., or about twice the average weekly wage of just under £3.

For those who wanted to get away from it all — and severe smog brought two days of pre-Christmas chaos to the streets of London—Thomas Cook was offering eight days in Nice from £9.15s and American Express a two-week skiing holiday in Switzerland for £14.15s.

Those that stayed at home, and were not caught up in preparations for Christmas, had no shortage of things to worry about. The papers were as full of the urgent need to regenerate British industry as they are now. Sir Oswald Mosley issued his manifesto two weeks before Christmas, almost 50 years to the day before his death this month.

He called for all power to be handed over to a five-man ministerial council and for a national planning board with absolute power to revitalise industry. In a series in The Times Sir Arthur Salter urged "rationalisation of industry in many varying forms to restore its competitive position and make it responsive to new conditions."

Industrial relations were as bad as ever, with many employers trying to reduce costs by cutting wages. Railway workers were locked in bitter negotiations with their employers who, noted the FT, "obviously feel that they can extract the last ounce" because of the depression. The South Wales miners' talks broke down at Christmas. They walked out the day after Boxing Day.

On December 20 there was even a new Bill about the rights of trade unions. It allowed some kinds of sympathy strikes (otherwise known as secondary picketing) and redefined the concept of intimidation in an attempt to roll back a 1927 Conservative Act on the same subject.

The slump in national output caused Leo Amery to say in Parliament that "the whole fabric of our industry is crumbling away and threatening to collapse." Coal production was sliding (it fell by 27m tons between 1930 and 1931 to 220m tons compared with about 120m tons in 1979) and crude steel output fell by 2m tons to 5.1m. Exports, according to the October trade figures, were down 30 per cent on the equivalent month of 1929.

There was, of course, at least one major difference with the situation today. Since 1925, when Britain had returned to the gold standard, prices had been falling steadily. The Retail Price Index (1963 = 100), 37 in 1925, was down to 33 by 1930 and reached 30 a year later. World commodity prices had tumbled. Just before Christmas, Standard Oil of New Jersey again cut the price of its petrol.

The high value of the pound had a catastrophic effect on exports, particularly of such items as South Wales coal, 75 per cent of which went overseas. Hence the preoccupation all year with tariffs and the pressure from many sides, including parts of the Tory Opposition, for various kinds of protectionism, including the perennially popular idea of free trade within the Empire (India was then Britain's second largest trading partner).

Overseas, particularly in America, the picture was no better. Unemployment in the U.S. was soaring and in Chicago even Al Capone felt moved to open a Christmas soup kitchen. On December 12 the New York-based Bank of the United States ($202m in deposits, 59 branches, 400,000 depositors) failed. With characteristic understatement The Times correspondent noted that this news was received in Washington with "feelings not easily distinguishable from dismay."

On December 23 seven more American banks failed and on Christmas Eve the prime rate was cut to 2 per cent, as much of a record low point then as the current 21.5 per cent prime is a high one now. In London bank rate stayed at 3 per cent. The Daily Express lamented that "money is so cheap as to be almost unlendable."

Lord Beaverbrook, who owned the paper, was urging his readers to spend the country out of the recession. There was certainly plenty of demand for the most glamorous presents of the year—radios, radiograms and gramophones. These were the videorecorders of their time, but they were made in Britain, not Japan, and the companies that made them—such as Marconi—were only just becoming household names.

(The programmes that could be heard on the new wirelesses, however, were of uncertain quality. There was not much interest in news. On Christmas Day there was no news bulletin at all. But, said a BBC statement, "if any news of importance is received during the day it will be broadcast at 9 pm.")

In a sense, Lord Beaverbrook's relentless optimism about the future was not misplaced. Behind all the gloom there were signs of better things ahead, even if most of the papers were too worried to notice them most of the time.

On the company results pages of the FT were the annual meetings of a small host of "new technology" companies (the microchip makers of today?) that were to grow in size many times over the next few years. December saw the second annual meeting of the Baird Television Company, whose French subsidiary was even then co-operating in an experiment to marry telephone sound to a television picture for long distance calls. Trial television transmissions were also proceeding in London.

The rapidly growing De Havilland aircraft company held its 12th annual meeting about the same time as the new phone link with Australia was inaugurated. This cost £6 for three very crackly minutes and was accompanied by a ferocious Daily Express attack on the Post Office for the "plodding pace" with which it dealt with demand for new lines.

In the Midlands a Mr. William Morris was just completing the prototype of his new £100 two-seater. This (not quite the Metro of its day) was particularly to be welcomed from a company "in which the public already has trust" said the Manchester Guardian.

London was growing by leaps and bounds, as were other smaller cities in the South. Companies such as Boots and Marks and Spencer had already begun to take advantage of the new opportunities provided by the new housing developments mushrooming on the outskirts.

Fifty Christmases later, many of these companies are well established household names. Many have prospered. Britain, meanwhile, has obviously changed. The average standard of living is vastly improved, real wages are far higher, working conditions much better. Yet there is now much the same care-worn apprehension about the future as there was then.

As the Financial Times put it in a reflective editorial on Christmas Eve, 1930: "International derangement of the magnitude of that from which the world has not yet emerged is complicated by consideration of prices, monetary affairs and political developments, the range and scope of which render particularly hazardous forecasts of the manner and time of recovery."

MEN AND MATTERS

A quizzical glance at 1980

Resist, if you will, the rival attraction on the opposite page. Come back to it later after tackling this column's decidedly more eccentric but ultimately more rewarding review of the year. Most of the questions are difficult, some odd, and some downright impossible. But fear not. While correctness will win the most marks, inventiveness will also be rewarded. A bottle of brandy to the best entry. Answers please to Men and Matters Quiz, Financial Times, Bracken House, Cannon Street, London EC4P 4BY by 6 January. All information necessary for true and fair answers has appeared in this column in some shape or form over the last year.

Hot air

1—Which political party pledged itself to abolish the law of gravity, and supported its anti-metrication platform with the claim that Jesus had picked 12 Apostles and not ten?
2—Which leading American politician included in his campaign speeches a pledge to explore the universe?
3—Who, when asked for his view of the war between Iraq and Iran, replied that it was "bad for animals." And why did the occasion make his remark appropriate?
4—Who told a rapt House of Lords during a debate (not this year), that he had as a child seen his guardian angel perched on the side of his bed rebuking him?
5—Which country stepped up its interest-free loan programme to encourage its citizens to build nuclear shelters? What followed shortly afterwards?
6—Who spent a crucial evening dancing with Ann Taylor, and where? And who, that same evening, was in Portland? And Cambridge?
7—Who said of pay policy that it is "like jumping out of a second-floor window—you only do it if the stairs are on fire?"
8—When did Douglas Knott vote in a crucial and unexpected way? And who tried to give him a cue by waving his arms in the air?
9—What, despite costing an estimated £50,000 a month to stage, is now into the third year of its West End run playing to all-but-empty houses?

Hot money

1—"You passed them to this chap sitting next to you . . . he passed them to the chap sitting next to him . . . it was like a merry-go-round. I was at a bit of a disadvantage. Everybody else knew what he was doing. All I was doing was sitting there writing cheques and getting writer's cramp." What is being described, and where was it taking place? What grandiose plan did the speaker and his colleagues have in 1974?

2—Which two gentlemen, both of whom enjoyed something of a renaissance this year, could, in the words of one of them, "double the GNP in five years?" What are they both doing now?

3—Who, after a controversial meeting in Glasgow, said: "I like to be on the winning side?" And why were people surprised that he was?

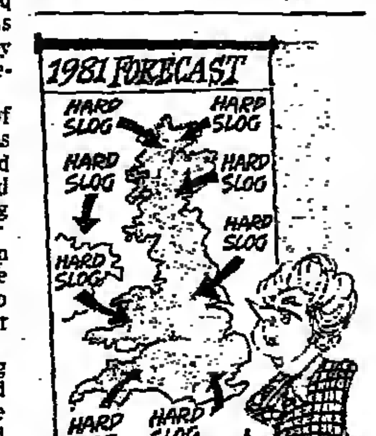
6—What was "Looflirpa," and who in particular is said to have fallen for it?

7—"People have likened us to the SAS. But we are not mercenaries." Which firm is being described, and what practice did it pioneer which gave rise to the comparison?

8—Which chairman's nickname is "Lulu?" Which senior civil servant joined his board this year?

9—Which chairman, after a controversial farewell, conceded that his "first public meeting was a disaster, the last one was a disaster, and in between it has all gone rather nicely." Why the controversy, and why was the farewell not as final as might have been expected?

10—Which chairman told his shareholders that "we must put the past before us," and to what did he—albeit confusingly—refer?
11—Which company, as part of a strategy to burst the image-barrier, is contemplating a change of name to "Pebble" or perhaps "Eighty-eight"?
12—Why were Lindi St. Claire and the Registrar of Companies frustrated in the High Court?
13—Which company's only asset, according to its major shareholder, is "a hole in the ground"?
14—Which public transport concern—not British Rail—is said to afford "conditions notorious throughout the world . . . the service is backward, the staff tell lies"?
15—Which Belgian company promised in its annual report to "repel any spirit of filthy lucre"?
16—What, in the end, did John O'Keefe fail to do? And who, in roughly the same line of business, explained on taking office that he was "old enough to be expendable"?
17—Which is Britain's smallest quoted company?
18—Which company's workers, faced with redundancies, said they would "talk to the Devil himself if there was a job at the end of it



Hot words

1—What professional was defined in an 1836 dictionary as "a low mercenary wretch, who gets money by buying and selling in the funds"?
2—What might you get if you asked for a Gestetner in Zaire?
3—Where did a parliament and several bishops disappear this year?
4—What is a "jug hustler": an "unconformity trap"; and a "sacrificial anode"?

Hotch-potch

1—Who are being "run down as a matter of policy" in Evesham?
2—How much gold could you get out of the blood of the population of Birmingham?
3—Who was expected to land at 5.20 am on March 8 at the farm of Our Lady of Concepcion near Casimiro de Abreu, Brazil?
4—Whose telephone number is Owo 1?
5—What was, according to its advertising agency CDP, "built by Robots, not by Robbos"?

6—Which national dish is made by boiling cornflour up with milk, water and salt until a solid mass is obtained, the result then to be served with milky coffee?

7—Which eminent figure's professional dress includes stockings and a suspender belt, the latter to be fastened with a threepenny-piece?

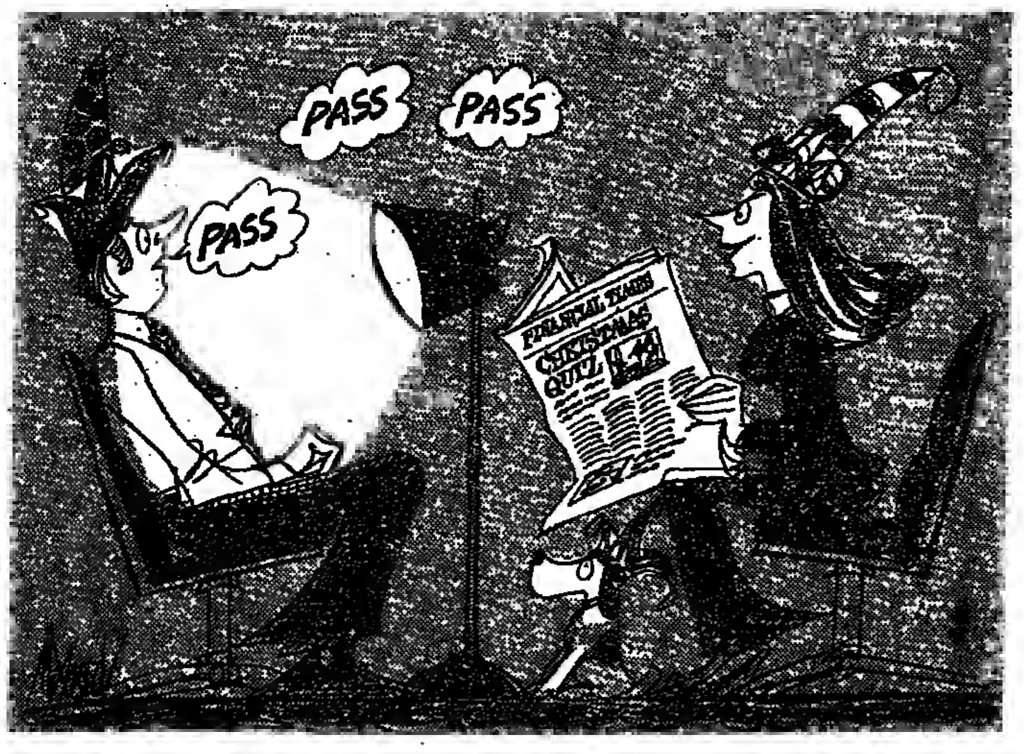
8—Who said "You do not have democracy in a lifeboat—not if you have any sense"?

9—Finally, to sum up the year in all its confusion, identify the author of the following: "At a time of high inflation, exorbitant interest rates and a relatively strong currency, salary expectations rise, but in our industry the ability to pay more has diminished through reduced margins. Paradoxically, to increase profits and obtain more orders we must attract more skilled and able people and this we cannot do if we pay less than other comparable industries. The only answer is to achieve higher productivity and, of necessity, this has at times resulted in redundancies."

Observer

Samuel Brittan, Peter Riddell and David Marsh set the questions

A Christmas quiz with money in mind



1—Who said?
(a) "Mr. Watson, come here, I want to see you."
(b) "We (Labour) are the masters at the moment—and not only for the moment but for a very long time to come."
(c) "The maxim of the British people is 'business as usual'."

2—Which Financial Secretary to the Treasury, appointed to deal with entertaining which the Chancellor disliked, and later to climb to "the top of the greasy pole," devoted one-fifth of his fortune to buying War Loan and handing it over to the Exchequer for cancellation?

3—Which "sensitive flower" wrote "Neutralism" and "The Race against the H-Bomb"?

4—When did the Chancellor of the Exchequer consider moving the Government's account from the Bank of England to one of the clearing banks? (Clue, not during the post-mortem over this summer's monetary debacle.)

5—Who said in *October 1977* that "there are fairly strict limits within which it is possible to withstand market pressures?"

6—Which eminent writer, formerly on the Financial Times, described the quarterly review of the National Institute of Economic and Social Research as the "comic cuts of British economic publications?"

7—Who in late September had to rush from Washington to Rome in order to lose his job? And who was his stand-in in Washington?

8—Who, just over a year ago, said that the economic prospects are "almost frighteningly bad" and who saw the likelihood of three years of "*unparalleled austerity*."

9—Who revised a forecast of what by *£4½bn* between March and November this year?

10—Which Australian-born former English student was appointed to a senior post in the British economics establishment this year?

11—Which present central bank governor
(a) Previous served as Prime Minister of his country?
(b) Goes to work in sports jacket and open-necked shirt?
(c) Saw three World War II surrenders in three different countries?

12—What made Stalin say in 1936: "The Spaniards will never see their gold again?"

13—What was the connection between the visit to America by King George VI in May 1939 and a rather fishy Bank of England reserve operation?

14—Which central banker wrote to another: "Sorry we have to go off tomorrow and cannot wait to see you before doing so," and what was the occasion?

15—By what actions did Alexander the Great (330 BC), Jacques Rueff (1940) and the Ayatollah Khomeini (1980) show that they shared a common link?

16—Which bank
(a) Makes a profit of just over $1,000 per employee per day?
(b) Operated for 47 years from a disused hotel by a railway station?
(c) Next year will lay to rest a *50-year-old Franco-German* quarrel?

17—Why is a brass plate in Luxembourg worth its weight in gold?

18—What made the Wozchod Bank send Christmas greetings from Moscow this year?

19—Why will President Reagan make a profit out of the Carter Bonds?

20—Why could the Bank of England afford to laugh about the 1939 cheque gold telex—although the Americans weren't so pleased?

21—How did East Germany lose £4m on the road to Tilbury?

22—How did the U.S. three years ago make Portugal reluctant partners in the cause of gold demonetisation?

23—How did Turkey's economic crisis help boost Bulgaria's exports to Switzerland?

24—Who was afraid that the egalitarian revolutionary "would cut up the ceilings of the Veronese in strips so that everyone *might* have a little piece?"

25—Which rather *surprising* major novelist is said to have "sat in working-class pubs listening to the voices of the jobless," and from which novel?

26—"RIG" was vetoed at the moment.
(a) What is "RIG"?
(b) Who vetoed it?
(c) On whose advice?
(d) For what reason?

27—Money may or may not be the root of all evil but
(a) Whose voice was "full of money"?
(b) Who said: "The rich are different from us," and who replied: "Yes, they have more money"?

28—Economists have never been popular but which early Fabian asserted that: "If all economists were laid end to end, they would not reach a conclusion"?

29—Economics is a bore and a mystery to many people but which economist said: "The economic problem as one may call it for short, the problem of want and poverty and the economic struggle between classes and nations, is nothing but a frightful muddle, a transitory and unnecessary muddle?"

30—Most of us would still prefer to have *money* than to be without it, even the noted wit who said that :"Wealth is not without its advantages, and the case to the contrary, although it has often been made, has never proved widely persuasive." Who was he?

31—Who said: "To found a great empire for the sole purpose of raising up a people of customers, may at first sight appear a project fit only for a nation of shopkeepers. It is, however, a project altogether unfit for a nation of shopkeepers; but extremely fit for a nation that is governed by shopkeepers." Was it:
(a) Mrs. Thatcher?
(b) Edward Gibbon?
(c) Adam Smith?
(d) Joseph Chamberlain?

32—Which former chairman of the *Conservative Party* this year chaired a committee which accused the present Government of not achieving the one target to which it was absolutely committed?

33—Which international institution, commenting on British economic policy, noted that there was "now for once the possibility of observing an experiment akin to those always available in the natural sciences?" Was it:
(a) The International Monetary Fund?
(b) The Bank for International Settlements?
(c) The Organisation for Economic Co-operation and Development?

34—Which Chancellor of the Exchequer wrote in his memoirs that "both of us, it is true, spoke the language of Keynesianism. But we spoke *it with* different accents and with a differing emphasis." And about whom?

35—There has been no shortage of financial and tax innovations in the past 30 years. Which Chancellor of the Exchequer announced:
(a) *Premium bonds?*
(b) Corporation tax?
(c) Development gains tax?
(d) Short-term capital gains tax?

36—What do the following institutions have in common: the Reichsbank, Bank of Estonia, Bank of Latvia, *Bank* of Lithuania, National Bank of Albania, Industrial Bank of Japan?

37—*Which central bank famous* for its ability to control the money supply has actually missed its monetary targets in five years out of the last six?

38—Why did Mr. Gordon Waddell's night out at Boris Gudonov cause a stir?

39—In what way are China, Romania and Yugoslavia now on the inside track while Taiwan, Switzerland and Poland remain outside in the cold?

40—How has Iraq kept the statisticians guessing?

41—Which former economic journalist now in charge of a much-respected institution in Frankfurt made a quick trip to Riyadh last month to learn more about deficit financing?

42—Which of Ronald Reagan's economic advisers has espoused a return to an economic "discipline" abandoned in August, 1971, and what was he talking about?

43—Which prominent economist said this month: "The hangover from the Heath binge, when the money supply was growing by up to 20 per cent, is still going on."

Answers to this quiz should be sent to the Features Department, Financial Times, Bracken House, Cannon Street, London, EC4, to arrive no later than first post on Friday, January 2, 1981. A prize of a FT Desk Diary is offered for the first correct or most correct solution opened. The answers will be given on this page on January 3.

Why could the Bank afford to laugh in 1939?

KING GEORGE VI
A fishy operation

JOSEPH STALIN
Gold standards of 1936

Letters to the Editor

Trade in textiles

From the President, British Textile Confederation

Sir,—*Your* leading article on open trade in textiles (December 22) *recognises* the *very real* difficulties facing the UK textile *industry*, and the need for Government and EEC initiatives to alleviate them, but goes on to propose a totally spurious remedy.

The GATT multi fibre arrangement (MFA) was set up precisely because other remedies for disruption from increased textile and clothing imports were either inapplicable or ineffective. To scrap the MFA, and rely instead on anti-dumping action under normal GATT rules, as your leading article proposes, would lead to disruption in the UK textile and clothing industries on an unparalleled scale.

The major problem of the textile industry is not dumping, although where it exists it certainly causes serious damage. Developing countries have no need to sell at dumped prices—that is, at prices which must normally be below those on their *home* market — when their labour costs are so much lower than *our own*. Anti-dumping duties, under present international and Community legislation, are simply not applicable in cases where low *prices* are due primarily to low wages.

The action proposed in *your* leader is simply not a feasible alternative to the MFA. When the GATT textiles committee *met in Geneva* earlier this month, all parties—exporters as well as importers—were in favour of renewal. The decision now *to* be taken in the EEC is to determine the terms of renewal which best represent member states' interests.

L. Regan.
24, Buckingham Gate, SW1

Insufficient demand

From Mr. B. Bailey

Sir,—The logic of Mr. Prowse (December 19) cannot be gainsaid, as a reading of Chapter 3 of Keynes's General Theory will confirm. I regret, however, that he does not contribute to the *issues underlying* the Lombard article question. Namely, the *extent to which the* UK's current unemployment is structural *rather* than due to *insufficient* aggregate demand and the consequences for *inflation* and the future viability of British industry of applying Peter Shore's expansionary policies to cure such *unemployment*.

The UK economy faces the need for a significant relocation of resources to respond to changes in the international trading environment — oil price increases, EEC membership and world overcapacity in staple industries. The level and structure of wages, as the pricing mechanism for *labour*, has a role to play in this context. The consequences for particular groups, however, are incompatible with a fair society. The lesson of the 1970s appears to be that the failure to apply commercial solutions to industrial problems and deal separately with the social consequences has resulted in a persistent rise in inflation and the mere deferral of the original economic problems.

Alas, I do not have a solution to *this dilemma*, but as a layman interested in economics I hope that Mr. Riddell will direct the wisdom of the Lombard column to these issues, without being sidetracked by Mr. Prowse into the sterile niceties of aggregate supply and demand functions, their points of intersection and their interdependence.
Bertrand Bailey.
90, Cambridge Gardens, W10

Wind up the NEB

From Mr. G. Bloomfield

Sir,—John Elliott in the "Lombard" column (December 3) credits the National Enterprise Board and its chairman Sir Arthur Knight, with having done valuable work during the past year. Mr. Elliott however, fails to tell us specifically what has been done or where its value lies.

It is reasonable to expect that both Sir Arthur and Sir Robert Clayton, in accepting office a year ago, knew full well the burdent, benefits, duties and obligations they were taking on. For Mr. Elliott to plead their cause and ask for kinder treatment by the Minister and the civil servants is to make Sir Arthur and Sir Robert appear naive.

Observation and direct experience teach me that the NEB as such has little or nothing to offer. Taxpayers' money could well be provided to support companies, as venture capital, or to stimulate the economy as appropriate through other and better channels. The Industry Secretary now has a second chance to wind up the NEB. It is a chance *not to be missed.*
G. V. Bloomfield
71, Padleys Lane, Burton Joyce, Notts.

London's third airport

From Mr. D. Odling.

Sir, — The right place for "London's" third *airport* is at Birmingham where, at the very heart of England, Elmdon already sits adjacent to motorways *going* in all directions, the train services from nearby Birmingham international station to London are excellent and, by *way of* connections at Birmingham New Street and Rugby, to the north and to the south-west are good and capable of further development, and where the catchment area is vast both for *people and industry*.

But Birmingham has missed the *boat* (or plane!). Although new facilities are planned, the *present terminal* was opened before the last war. By contrast and with foresight, the authorities in Manchester have in various *stages over a number* of years extended and upgraded Ringway airport so as to be ahead of the game, and have thereby generated *demand for* its services, such that Manchester is by a comfortable *amount* the busiest and most important airport in Britain *after* Heathrow and Gatwick. The *nearest* train services are *several* miles away, but the motorway system (and the importance of those two words read together cannot be over-emphasised) comes right to the doorstep. Manchester's gain has *almost certainly* been Birmingham's loss.

So with the hub of *airport* activities in England (outside *London*) already being as far north as Manchester, the country is left with a most unpalatable *decision as to where* to locate the third airport. However *convenient it may be* to select Stansted, any choice lying to the east of the Greenwich meridian is lunacy because communications are not good enough: the rail services are slow and only lead to London, while the M11 is out on its own with the prospect of only having good connections towards its southern end and continuing lousy access to the capital.

Wherever the airport is put will provoke hostility, particularly if good agricultural land and pleasant countryside are threatened by noise, industry and an influx of people. A remote location is out of the question because of the cost of providing the necessary infrastructure, even if customers would travel to it—which I doubt. *Is it too late for the Midlands* to have a major international *airport and in so doing* provide the south-east with the *extra service needed?* Or has Manchester already tipped the balance too much in its own favour just that much too far north, and thus deprived Birmingham of its chance?
D. N. Odling.
21, Lennox Gardens, SW1.

The Yalta agreement

From the Director International Relations —Europe Chase Manhattan Bank

Sir,—It is discouraging to see (leader, *December* 15) one of my two favourite papers, the Financial Times, contribute to the myth of the cynical division of Europe between Stalin and President Roosevelt at Yalta.

Both Averell Harriman, our war time Ambassador to the USSR who was present, and our outstanding career diplomat "Chip Bohlen, our interpreter at the Yalta conference, have borne witness privately and publicly that the exact opposite was true.

The Yalta agreement specified the right of all peoples to choose *themselves* their *form* of government upon their liberation. In addition, *it was stipulated* that free and unfettered *elections should be held in* all territories occupied during the *war. How can the Western* signers be held responsible for the violation of his *pledge* by Stalin?

What purpose, may I ask, is served to accredit the myth that Yalta "endorsed" Eastern Europe as being the Soviets' sphere of influence *as you do* in your editorial? That this has *become so* cannot be *gainsaid*. To say however—or to imply—that *it was* a voluntary concession by Franklin Delano Roosevelt would *seem* only to serve those who are interested in splitting *Western Europe* away from the United States.
Ridgway *B*. Knight (Former American Ambassador):
Chase Manhattan Bank, 41 Rue Lambon, Paris 1er.

Selling off the business

From Mr. N. Corr

Sir,—With all the plans of the Government for the return to *private* ownership of parts of nationalised industries being published I cannot understand why reference has not been *made* to the builders merchants' activities of the National Coal Board.

When the *NCB* acquired the Sankey organisation it had the *stated objectives* of providing the NCB with a chain of solid *fuel* appliance showrooms to combat the Gas and Electricity Boards as well as providing a distributive channel for the products of the brick works which the NCB had acquired on nationalisation. The first objective was never realised and customer preference in the domestic market resulted in Sankeys handling far more products to further the use of competitive fuels. The second objective became irrelevant.

With a very depressed building sector why is Sankey still being provided with funds from the Coal Board to carry on its acquisitive programme and to open new branches? Existing resources within the industry are more than adequate. Is it significant that much of this programme is being concentrated in areas controlled by Labour councils or just coincidence?

In any case it is contrary to declared Government policy.
N. Corr.
"Arbolme." Marlborough Crescent, Clifton Park, Ramsey, Isle of Man.

Permanent ways

From Mr. A. Watkinson

Sir,—I was interested to see *in* your Frankfurt edition of December 10 the views of Mr. Angus Dalgleish who explained in much detail the folly of subsidising a basically obsolete mode of transport.

It seems that existing transport land should be looked at *in great detail* as the *railways* monopolise a vast amount of valuable *property much* of which is little used. These routes could very quickly and cheaply be converted into instant roads as there would be no need to demolish large numbers of houses and industrial property in order to build the new roads we so urgently need.
A. I. Watkinson.
The Cottage, 3, Otley Road, Harrogate, North Yorks.

Family income tax

From Mr. D. Lindsay.

Sir,—Further to Mr. Cole's call (December 1) for a major new initiative on family taxation, may I draw attention to two recent works that have exposed some appalling features of the present system of tax?

Doctor J. Bradshaw calculates that the three child family on national average earned income has net disposable resources (NDR), after taking account of state benefits and tax, *that is only 24 per cent* higher than the NDR available to a single person having the same income. At twice national *average (where state benefits* become negligible) the three child family has only 11 *per* cent NDR more than has the comparable single person. By contrast, the supplementary benefit *scales*, which are based on studies of comparative family costs, aim at assuring to the three child family 159 per cent more NDR than to the single person.

An article in a recent law journal demonstrates the enormous tax advantages that the divorced have over the married — in the former's ability to make full use of the personal allowance (now £1,375) for each member of the family, to gain complete tax relief for school fees and to double the mortgage interest entitlement. Talk about tax neutrality!

These quite scandalous inequities could be eliminated by just the sort of reform (basically the French "quotient" system) Mr. Cole advocates. It could be paid for by phasing out mortgage interest relief, which is highly un-neutral, wholly anomalous, largely duplicative and, surely, very expensive to administer.
David G. Lindsay,
36 Orchard Coombe, Whitchurch Hill, Reading, Berks.

Markets move mysteriously

From Mr. G. Matthews.

Sir,—I was somewhat disturbed to read (December 17) the following apropos the demise of the McLean Futures Fund: "*That* the chartists should be right and the fundamentalists *wrong*, is tantamount to a negation of the commodity markets' basic role."

I suggest that this comment illustrates a disturbing form of mental arrogance. No one can know all the fundamentals governing a market price at any one time. One series of facts, however, wholly known to all is where buyers and sellers meet in the prices paid. Prices move in trends however caused, whether by sentiment, fundamentals or the phases of the moon. *If* the market prices inconveniently fail to conform to a fundamentalist's opinion, *it* is not sensible to say that the *market most* be acting wrongly.

Of course, it is galling if the chartists have nevertheless *got* it right for once. One might just as well expect a weather forecaster to blame the thermometer for failing to respond correctly to his forecast. Similarly, one might blame the newspaper as an imperfect medium for reporting news with which one does not agree.

Sir, this way of arguing is not good enough. Fundamentalists were wrong because they were wrong. Potential investors in futures funds can draw the appropriate conclusion.
Geoffrey W. Matthews.
Wychmoor Copse House, Thursley, Godalming, Surrey.

Companies and Markets

UK COMPANY NEWS

BIDS AND DEALS

Celestion deeper in loss

ALTHOUGH Celestion Industries virtually maintained sales at £14.82m in the six months to September 30, 1980, the group plunged deeper into the red, incurring a loss before tax of £1.16m, compared with £141,000.

There was no tax charge this time, against a credit of £73,000, and the stated loss per 20p share has worsened to 4.9p (0.3p).

The directors say forecasts for the second half indicate a measure of improvement, compared with the first half, but it is clear, they warn, that overall there will be a loss on trading for the year.

For 1979/80 the group, which manufactures and distributes sound reproduction equipment and clothing, incurred a pre-tax loss of £112,988 (£1.31m profit) and paid a single dividend of 1p net.

Commenting on the half year the directors state that the results of the loudspeaker division continued to be adversely affected by poor consumer demand, the strength of sterling and high relative inflation which resulted in a loss of £776,000.

In the clothing division, profits were lower than budgeted because of lower margins on merchandise manufactured and seasonal factors. In addition to these results, factory closure and re-organisation costs amounted to £193,000.

During the six months the group maintained its shareholding in Racal Electronics of 1.6m ordinary shares, which have increased in value since March 30, 1980, by nearly £2m.

Sekers in the red at halfway

EXTERNAL SALES of Sekers International expanded from £3.76m to £5.72m but this dress, furnishing and upholstery fabric manufacturers suffered pre-tax losses of £68,500 for the six months ended September 30, 1980, compared with profits of £217,900.

And the interim dividend has been omitted—last year's total payment was 2.3p paid from pre-tax profits of £401,252. The directors says that measures taken will improve the quality of group earnings and a decision as to the payment of a final will be made at the end of the year, and will be dependent on the outcome of trading in the second half.

The directors state that areas of the group's activities which are associated with the retail market were adversely affected by general economic conditions during the latter part of the six months.

Sekers is proceeding with the property realisation programme and it is intended that further land and property, which is surplus to requirements, will be sold in 1981.

The attributable loss came out at £368,900 (£194,500 profit) after a tax charge of £23,400 last time, and an extraordinary debit of £300,400 (nil).

Lossmaker hits Cronite

THE RECENTLY sold agricultural machinery interests of the Cronite Group were largely responsible for the organisation's pre-tax loss of £26,000 for the year to September 30, 1980, compared with pre-tax profits of £480,000.

The turnover of the continuing nickel alloy businesses was up from £8.49m to £9.99m, on which profits were £275,000 (£630,000). The turnover of the discontinued businesses was £419,000 (£590,000) on which the loss was £80,000 (£19,000).

The final net dividend will be reduced from 2.135p to 1.0675p, making 1.8719p (2.9394p). At the interim stage the group had been £145,000 in the black.

Attributable losses amounted to £114,000 (£231,00 profit), and the loss per 25p share 0.4p (11p earnings). The net assets per share were 59p (64p).

Philip Harris lower

ALTHOUGH TAXABLE profits of Philip Harris (Holdings) slipped from £371,714 to £274,310 in the six months to September 30, 1980, results for the year show an improvement over 1979-80 despite continuing difficult conditions.

Sales of this manufacturer of scientific apparatus rose in the half year by £1.31m to £7.79m.

The interim dividend is being maintained at 1.45p net—last year a total of 5.5p was paid from taxable profits of £410,647.

Tax took £142,641 (£193,291) and stated earnings per 20p share were lower at 4.05p (5.51p).

Commenting on the half year the directors say the science educational results did not benefit as much as had been hoped for from the export contracts which were in train, as certain contracts have only just been finalised. These should benefit the second half of the year.

The medical company continued to progress and will make a greater contribution to the year's results.

Wm. Mowat plans to restructure

AT A poorly attended annual general meeting, shareholders of the beleaguered Wm. Mowat, the property investment group, learnt that talks were taking place on restructuring the company.

Mr. R. F. Davison, chairman and managing director, stated that "a number of proposals for the restructure of your company are currently being reviewed and I hope to be in a position to give shareholders further details as soon as possible."

He also noted that "discussions are taking place for the disposal of the company's interest in Aqua-Damp."

Mr. Geoffrey Teulen, a senior consultant at Tring Hall Securities, which specialised in bringing companies to the unlisted securities market, said later that a meeting would take place shortly between "a private and substantial company" and the Board of Wm. Mowat to discuss the possible injection of property into Mowat.

"If the parties agreed to go ahead with the proposal then a restructuring of the company's capital would be required. Following the restructuring, he hoped, subject of course to Stock Exchange approval, that Mowat would either get its shares relisted, gain admittance to the Unlisted Securities Market or perhaps get the shares traded under Stock Exchange rule 163(2).

Shares in Wm. Mowat were suspended at the end of December 1979 at 21p, after a troubled year in which profits slumped, a proposed rights issue was cancelled, the company was subject to an abortive takeover and the 1978-79 accounts were qualified.

At the AGM in 1979 Mr. Davison said "fairly violent changes" of an unspecified nature "partly involving property" were under discussion. These talks appeared to have been fruitless.

For the year to May 31, 1980, Mowat made a pre-tax profit of £2,410 and an attributable profit of £447 as against £1,832 and a loss of £10,232 respectively for the previous year.

Hanover Investments improve

Including the final trading profits of the main tobacco companies and the final trading losses attributable to the engineering division, which ceased operations in May 1980, taxable profits of Hanover Investments (Holdings) advanced in the six months to end-August 1980, from £1,000 to £202,000. Sales remained static at £3.31m, compared with £3.4m.

The interim dividend is being maintained at 0.7p net—last year a total of 1.85p was paid despite the group incurring a pre-tax loss of £186,000.

Tax for the half year took £118,000 (£1,000), leaving stated earnings per 10p share of 2.8p, against 0.35p.

Extraordinary credits this time were higher at £175,000 (£8,000). These represent the profit on the sale of the group's tobacco licences to Gallaher less the closing down costs of the tobacco factory—including the loss on the sale of plant and machinery.

The directors state that the laundry and herbal divisions are trading profitably and the leather and giftware divisions will be trading profitably on a month-to-month basis by the end of the financial year.

They add that the property and investment division is unchanged except that the surplus funds now available are at present invested in the money market.

The principal activities of the group, formerly Sobranie (Holdings), is laundry and dry cleaning. It also has leather and gift divisions and holds two properties for investment.

Forminster declines at midway

PROFITS before tax of Forminster, manufacturer of ladies' and children's outerwear clothing, dropped back from £774,048 to £696,563 for the half-year to October 31, 1980.

The directors say the results are satisfactory considering the difficult trading conditions.

Turnover fell by almost £1m to £6.67m. Tax took £373,000 (£410,000), leaving earnings per 10p share of 6.36p (8.25p). The interim net dividend is maintained at 1.68p—last year the total was 4.2p from pre-tax profits of £1.75m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Cronite Group	1.07	—	2.14	1.87	2.94
Forminster ....int.	1.68	Feb. 23	1.68	—	4.2
Hanover Invs. ......int.	0.7	Feb. 13	0.7	—	1.85
Philips Harris ......int.	1.45	Jan. 29	1.45	—	5.5

Dividends shown pence per share net except where otherwise stated.

Francis bids for Evered

Francis Industries, the West Yorkshire based packaging and industrial products group, has launched a bid for Evered, the loss-making West Midlands engineering group where Astra Industrial recently raised its stake to 13.2 per cent.

Evered, whose chairman Mr. Sandy Saunders is also head of Francis, is offering 22p cash for the ordinary shares valuing the capital at £1.29m. Francis is also offering 40p cash each for the preference shares. Evered shares gained 5p to 21p yesterday.

Evered has been engaged on a major rationalisation programme and recently sold its extrusions business to Newman Tonks for £500,000. In the first half of 1980 the group announced a loss of £245,000, which was struck after reorganisation costs of £81,000.

One of the conditions of the offer is that the directors of Evered—other than Mr. Saunders, who has not been a party to the offers — indicate in writing by January 12 that they will recommend the terms of the offers and will accept them in respect of their own holdings. The directors control some 12 per cent of the capital.

Apart from Astra other large shareholders in the group are: Britannic Assurance with 10.8 per cent, M and G Recovery Fund 9.9 per cent, Mohamed Mahmood (Panama) 6 per cent and Zahid Industries and Investments 6 per cent.

Ben Williams dealings halted

BEN WILLIAMS AND CO. has requested the suspension of its shares pending an announcement at the completion of discussions which may lead to a "substantial acquisition."

At the suspension price of 32p, Williams is valued at £3.5m. The acquisition is likely to involve expenditure of about £900,000.

Williams makes school uniforms—a highly seasonal product—and is understood to be seeking to expand the textile field to even out its cash flow. An announcement is expected in two to three weeks.

In the six months to June 30, 1980, Williams ran into losses of £16,959 (£19,251 profit). Turnover was £1.1m (£1.18m). The loss was struck after interest which rose from £28,956 to £47,687.

ALFRED DUNHILL

Alfred Dunhill, the smoking and menswear group controlled by Rothmans International, has sold Collingwood of Conduit Street, one of Britain's top jewellers, for £1.37m cash.

Collingwood, which has been bought by a specially created UK private company called Logman Holdings, made a loss of £74,000 before tax and extraordinary items in the 14 months to March 31, 1980, when the value of capital and reserves was £1.02m.

ST. GEORGE'S BUYS PROVINCIAL

ST. GEORGE'S LAUNDRY, which was the target throughout last year of unsuccessful takeover attempts by Provincial, has now turned the tables and bought the whole of Provincial's laundry business for £1.35m.

Mr. Michael Ashcroft, chairman of Provincial, said yesterday that "on balance" he was disappointed with the outcome. "Last year I would have been disappointed, but since then we have built up the industrial building maintenance side," he said. This business is to be developed further.

Provincial has "no immediate use" for the proceeds of the sale, nor any "immediate intentions" so far as regards its stake in Pritchard Services, in which it has built up a 21 per cent holding, since selling its 16 per cent holding in St. George's.

Mr. Ashcroft added: "I do not think we will sit on the money."

St. George's shares, which had been suspended at 87p on Tuesday, ahead of the announcement, closed unchanged yesterday after the terms of the deal were disclosed. Some £300,000 of the total cash payment is to be met from a placing of vendor shares.

St. George's board has taken the opportunity to recommend a final dividend of 1.25p for the year, which will make a total of 2.1p—a 50 per cent increase on last year.

Fisons and Boots agree link terms

By Sue Cameron, Chemicals Correspondent

FISONS and Boots have agreed terms for the merger of their worldwide agrochemical businesses into a new joint venture company with assets of around £90m. The company is to be called FBC Holdings.

The UK-based chemical groups announced the planned merger in the summer. Yesterday they said they had now obtained official clearances for the merger.

The two groups will each have a 50 per cent of FBC Holdings whose chairman will be Mr. John Kerridge, the present chief executive of Fisons. The trading company of the new venture will also be known as FBC and it will be headed by Mr. Terry James, currently the director in charge of Fisons' agrochemical interests. Mr. James is to resign from the Fisons' board to take up the chairmanship of the new company.

Boots has "injected some cash" into the new venture but yesterday neither company would say how much. Fisons is understood to have contributed the larger share to the new company and as a result it is to receive £8.5m "in respect of the new venture." The payment of £6m of this sum is to be phased over 1981 and 1982.

Annual sales of FBC are expected to be at least £125m, which will make it the dominant producer of pesticides and herbicides in the UK and possibly the world's 15th largest producer of these products.

The aim of the merger is to provide a sounder financial base to support the large research spending needed for success in the market.

Last year's Fisons' agrochemicals division had sales of £77.96m and yesterday the group said it would be transferring pre-tax profits from its 1979 agrochemicals operation of £2.3m to FBC. The company is also transferring its industrial chemical interests to the new joint venture.

Boots refuses to break down the sales and profits of its various divisions but it is thought to have had agrochemical sales of around £50m last year with pre-tax profits of around £1.5m.

● Mr Ron Bounds, former chief executive of Fisons, resigned from the Fisons' board this week. He ceased playing an active part in Fisons' management in June this year.

Nominees' 22.5% Renwick stake

SOME LIGHT was shed yesterday on the recent hectic activity in Renwick shares. Renwick is currently the subject of an agreed takeover bid by AAH, which prices its ordinary shares at 65p.

Mr K. Holmes, managing director of Renwick, said yesterday that 22.5 per cent of Renwick's ordinary shares were purchased in the past few weeks through A. J. Bekhor, stockbroker, for registration under the name of six nominee companies.

The identity of the holders has not been disclosed. In each case the shares are held by Uto Bank of Zurich, which is also registered as holding a further 200,000 shares. Uto Bank has informed Renwick that the shares are held "for a number of unrelated clients."

A Takeover Panel spokesman said yesterday that the panel has looked into the share transactions completed by Uto Bank on behalf of its clients. He said it was satisfied there was no evidence to suggest the clients were acting together.

In addition, Mr. Holmes said he learnt yesterday that an unknown prospective buyer was seeking a further 500,000 Renwick shares through a West country broker. The buyer is apparently prepared to pay 78p a share.

Renwick shares opened yesterday at 73p, an 8p premium above the offer price, but five pence lower than their peak for the year.

Renwick shareholders are due to reply to the AAH offer by January 3, 1981. The Board of Renwick has been given no indication of how the six nominee companies intend to respond to AAH's offer.

F. C. FINANCE

The Co-operative Bank's offer for the outstanding shares of F.C. Finance will not be increased, the company said. The bank—which already owns 81.4 per cent of the shares, said the offer of 110p per share is recommended by all the directors of F.C. (other than Mr. P. J. Paxton, Mr. L. Lee and Mr. W. Q. Russell, who are also directors of the Co-op Bank and who have not participated in the negotiations) and by Carr Sebag and Co., which advised F.C.

LONDON TRADED OPTIONS

(Dec. 22 Total contracts 741)

Option	Ex'rcise price	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	360	72	10	86	—	—	—	428p
BP	420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
BP	460	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
BP	500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Cons. Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	525p
Cons. Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Cons. Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Courtaulds	50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	53p
Courtaulds	60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	595p
Grand Met.	140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	153p
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	357p
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Land Sec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	312p
Land Sec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Marks & Sp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell	460	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	425p
Shell	500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Shell	550	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Totals			322		60		12	
		February		May		August		
Barclays	460	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	415p
Imperial Gp.	70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	70p
Imperial Gp.	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Lasmo	700	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	742p
Lasmo	750	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Lasmo	800	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Lasmo	850	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Lonrho	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	94p
Lonrho	90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Lonrho	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
P. & O.	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	116p
P. & O.	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
P. & O.	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Racal Elec.	300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	327p
Racal Elec.	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Racal Elec.	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
RTZ	414	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	408p
Totals			380		66		1	

DUNDEE AND LONDON INVESTMENT TRUST LIMITED

Extract from the Report and Accounts for the Year ended 31st October 1980

	1980		1979	
Revenue after charging interest and expenses of management		£993,383		£896,815
Taxation		317,079		303,258
Preference Dividend		£676,284 / 14,875		£593,557 / 14,875
		£661,409		£578,682
Ordinary Dividends				
Interim of 1.25p paid (1.00p)	£210,000		£168,000	
Final of 2.6p proposed (2.43)	436,800	646,800	403,200	571,200
Transferred to Revenue Reserve		£14,609		£7,452
Earnings per Ordinary 25p Share		3.94p		3.44p
		31 October 1980		31 October 1979
Valuation of Investments		£18,739,614		£16,434,472
Net Asset Value per Ordinary Share		108p		84½p

ROYAL EXCHANGE, DUNDEE — THOMAS McLINTOCK & CO. Secretaries

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
ABN C	F.280	6	15	—	—	—	—	F.291
ABN C	F.300	25	3.60	13	11.50	—	—	"
ABN C	F.320	—	—	1	5.50	—	—	"
AKZO C	F.17.50	—	—	46	1.40	24	1.30	F.17
AKZO C	F.20	—	—	—	—	45	0.80	"
AKZO P	F.17.50	1	1.10	—	—	14	1.40	"
AMRO C	F.55	—	—	2	6.50	—	—	F.61.30
AMRO C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
AMRO C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
CITI C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HEIN C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.60.80
HEIN P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
IBM C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IBM C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
IBM P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
IBM P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM C	F.60	2	1.10	[illegible]	[illegible]	[illegible]	[illegible]	F.58.60
KLM C	F.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
NATN C	F.110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.118
NATN C	F.130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.15
PHIL C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
POLA C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PEUG C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.125.20
OLIE C	F.190	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.216.60
OLIE C	F.200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
OLIE C	F.220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
OLIE C	F.240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
OLIE C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
OLIE P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
OLIE P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
OLIE P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
UNIL C	F.110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.122
UNIL C	F.120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
UNIL C	F.130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
UNIL P	F.120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
EXON C	$80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Feb.		May		Aug.		
BOEI C	$35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$40⅝
BOEI C	$40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
SLUM C	$100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$124⅛
SLUM C	$110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
SLUM C	$120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"

TOTAL VOLUME IN CONTRACTS 1327
A=Asked B=Bid C=Call P=Put

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	39	Airsprung Group	58	—	6.7	11.6	5.2
50	31	Armitage and Rhodes	31	+1	1.4	4.5	12.3
186	92½	Bardon Hill	186	—	8.7	5.2	7.0
100	63	County Cars 10.7% Pf.	63	—	15.3	24.3	—
101	63	Deborah Services	96	—	5.5	5.7	4.8
129	88	Frank Horsell	119	+2	6.9	5.8	3.7
129	60	Frederick Parker	91	—	11.0	12.0	2.4
156	74	George Blair	75	—	3.1	4.1	—
101	45	Jackson Group	101	+2	6.9	6.8	3.8
153	103	James Burrough	122	—	9.6	6.5	10.0
315	242	Robert Jenkins	315	+2	31.3	9.9	8.0
51	32	Scruttons "A"	51	—	5.2	10.1	3.7
235	111	Torday Limited	221	—	15.1	6.8	3.8
34	10	Twinlock Ord.	17½	—	—	—	—
90	70	Twinlock 15% ULS	79	—	15.0	19.0	—
55	10	Unilock Holdings	35xd	—	2.0	5.8	5.4
101	42	Walter Alexander	84	—	5.7	6.8	5.4
258	136	W. S. Yeates	248	+1	12.1	4.8	4.0

Companies and Markets

CURRENCIES, MONEY and GOLD

Dollar weak

Dollar lost ground in very quiet Europeao Trading, reflecting the downward treod in Eurocurrency interest rates, and the fall to 20½ per cent in Wells Fargo and Chase Manhattan Banks' prime leoding rates. Other major U.S. baoks maintained prime rates of 21½ per cent.

Eoropean currencies showed little change, with the French franc remaining above the Dutch guilder at the top of the European Mooelary System.

Sterling showed little chaoge agaiost most major curreocies, but advanced agaiost the dollar io line with European units.

DOLLAR — trade-weighted index (Bank of Eoglaod calculation) fell to 86.4 from 86.9. The dollar fell to DM 1.9460 from DM 1.9620 against the D-mark, and to SwFr 1.7630 from SwFr 1.7725 in terms of the Swiss franc. It was unchanged against the Japaoese yen at Y207.50, after trading within a narrow range of Y207-208.

STERLING — trade-weighted index (Bank of England) 78.0 compared with 77.7, after improving slightly to 77.8 in the morning and at nooo. The pound touched a peak of $2.3790-2.3800, before closing at $2.3690-2.3710, a rise of 1.80 cents on the day. Sterling was unchanged at DM 4.6150 against the D-mark, while falling to FFr 10.65 from FFr 10.67 in terms of the French frauc, but rising to SwFr 4.18 from SwFr 4.17 against the Swiss franc.

DEUTCHE MARK—Remaining weak near the bottom of the European Monetory System, and requiring support against the French franc and Doteb guilder. Germany's poor balance of payments position coupled with fears of an invasion of Poland, and the sharp rise in U.S. interest rates, has created severe problems for the Deutche Mark and led to a steady rise in German interest rates—The Deutche Mark improved against the dollar in very thin Frookfurt trading, with the U.S. currency fixed ot DM 1.9407 compared with DM 1.9730. The Bundesbank did oot iotervene as the dollar lost ground in a nervous market. The lower treod in Eurodollar interest rates aod the fall in U.S. bank prime lendiog rates was behind the weakness of the dollar. According to Bundesbank figures, Germany's broadly defined mooey supply (M-3) rose by an annual rate of 5.9 per cent in November, compared with 3.9 per cent in October and 2.9 per cent in November last year.

DUTCH GUILDER—One of the stronger members of the EMS, helped by energy supplies in the form of North Sea Gas—The guilder improved against most currencies at te Amsterdam fix-currencies at the Amsterdam fix-Fl 2.1150 from Fl 2.1500, and sterling to Fl 5.0200 from Fl 5.0460. The Deutche Mark eased to Fl 1.0880 from Fl 1.08815, but the French franc rose to Fl 47.02 per 100 guilders from Fl 47.01.

JAPANESE YEN—Very firm recently, despite the rise in U.S. interest rates, reflecting Japan's strengthening economic performance—The yeo eased against the dollar in Tokyo, with the U.S. currency closing at Y208.35, compared with Y207.50 on Monday. The cut in Wells Fargo Bonk's prime rate hed little impact in limited trading ahead of the holiday season overseas. Sanwa Bank predicted that the dollar will fall below Y200 in the near future as Japan's paymeots deficit oorrows and capital inflows continue.

THE POUND SPOT AND FORWARD

Dec. 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3625-2.3800	2.3690-2.3710	0.90-1.10c dis	−5.06	2.00-2.30dis	−3.63
Canada	2.7960-2.8270	2.8230-2.8250	par-0.20c dis	−0.42	1.50-1.80dis	−2.34
Nethlnd.	4.98-5.04	5.00-5.02	3½-2½c pm	7.18	6½-5¾ pm	4.99
Belgium	73.80-74.60	73.95-74.15	25-15c pm	3.24	40-30 pm	1.89
Denmark	14.13-14.27	14.15-14.17	6¼-3¾ore pm	4.24	2¾-2¼ pm	0.67
Ireland	1.2330-1.2470	1.2370-1.2400	0.15p pm-0.03 dis	0.58	0.56-0.34 pm	1.45
W. Ger.	4.58-4.64	4.61-4.62	3½-2¾pf pm	7.47	6½-5½ pm	5.09
Portugal	125.20-126.20	125.50-125.80	30c pm-60 dis	−1.43	5 pm-115dis	−1.75
Spain	186.00-187.50	186.85-186.95	par-90c dis	−2.89	95-210 dis	−3.26
Italy	2182-2204	2184-2186	2¼-5¾ lire dis	−2.06	20½-23¼ dis	−3.98
Norway	12.18-12.25	12.20-12.22	7½-4¾ore pm	5.71	15½-12½ pm	4.61
France	10.60-10.71	10.64-10.66	4¼-3¼c pm	4.22	7-6 pm	2.44
Sweden	10.35-10.41	10.39-10.40	1½-3½ore dis	−3.03	3⅞-5⅛ dis	−1.73
Japan	485-495	491-493	2.95-2.05y pm	5.97	6.60-5.65 pm	4.98
Austria	32.40-32.80	32.65-32.75	19-12gro pm	5.69	34-21 pm	3.36
Switz.	4.16-4.22	4.17-4.19	3-2c pm	7.18	7¾-6¾ pm	2.94

Belgian rate is for convertible francs. Financial franc 74.30-74.40. Six-month forward dollar 2.00-2.40c dis. 12-month 1.90-2.50c dis.

THE DOLLAR SPOT AND FORWARD

Dec. 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3625-2.3800	2.3690-2.3710	0.90-1.10c dis	−5.06	2.00-2.30dis	−3.63
Ireland†	1.8970-1.9270	1.9100-1.9150	0.85-0.95c dis	−5.65	2.22-2.32dis	−4.75
Canada	1.1890-1.1904	1.1888-1.1898	0.26-0.20c pm	2.32	0.46-0.36 pm	1.38
Nethlnd.	2.1075-2.1340	2.1075-2.1125	2.10-1.95c pm	11.50	4.50-4.35 pm	8.38
Belgium	31.10-31.50	31.21-31.23	26-23c pm	9.41	48-43 pm	6.82
Denmark	5.9700-6.0350	5.9700-5.9800	4.75-4.25ore pm	0.04	5.00-4.50 pm	3.18
W. Ger.	1.9350-1.9650	1.9455-1.9465	1.85-1.75pf pm	11.10	4.00-3.90 pm	8.12
Portugal	52.70-53.20	52.85-53.05	30c pm-par	3.40	40 pm-10 dis	1.13
Spain	78.78-79.00	78.85-79.00	40-10c pm	3.80	30 pm-20 dis	0.25
Italy	922.00-924.00	922.00-924.00	3½-1½ lire pm	3.25	1½ pm-1½ dis	—
Norway	5.1475-5.1670	5.1500-5.1600	5.00-4.60ore pm	11.17	10.25-0.85 pm	7.80
France	4.4800-4.5150	4.5050-4.5150	3.40-3.20c pm	9.80	6.30-6.00 pm	5.47
Sweden	4.3650-4.4015	4.3650-4.3750	0.40-0.10ore pm	0.67	0.50-0.20 pm	0.31
Japan	207.00-208.00	207.45-207.55	2.00-1.80y pm	10.99	4.40-4.20 pm	8.29
Austria	13.72-13.86	13.78-13.82	12.40-11.80gro pm	10.52	23.75-21.75pm	6.59
Switz.	1.7560-1.7860	1.7625-1.7635	1.85-1.70c pm	12.08	4.80-4.65 pm	10.72

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Dec. 23	Bank of England Index	Morgan Guaranty Changes%
Sterling	79.0	−35.9
U.S. dollar	86.4	−7.4
Canadian dollar	79.6	−18.7
Austrian schilling	148.9	+22.8
Belgian franc	112.2	+11.3
Danish kroner	105.2	−6.9
Deutsche mark	149.1	+40.5
Swiss franc	189.8	+76.8
Guilder	125.5	+19.3
French franc	07.5	−7.5
Lire	50.5	−53.5
Yen	140.9	+38.2

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

Dec. 22	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.540584	0.553279
U.S. $	15	1.26821	1.29938
Canadian $	17.56	1.51418	1.54743
Austria Sch.	6¾	17.7524	18.1783
Belgium F.	10	40.8783	41.9227
Danish K.	11	7.69139	7.97422
D'mark	7½	9.60919	2.56877
Guilder	8	2.72665	2.78848
French Fr.	9½	5.79635	5.95750
Lira	16½	1187.92	1216.87
Yen	7¼	262.510	980.880
Norwgn. Kr.	9	8.56806	5.70868
Spanish Pta.	8	101.076	105.456
Swedish Kr	10	5.52064	5.70076
Swiss Fr.	3	2.29024	8.32458

OTHER CURRENCIES

Dec. 23	£	$		£ Note Rates
Argentina Peso	4704-4724	1984-1091	Austria	32.45-59.75
Australia Dollar	9.0180-2.0220	0.8515-0.9520	Belgium	73.95-74.65
Brazil Cruzeiro	154.48-155.49	65.17-65.50	Denmark	14.19-14.29
Finland Markka	0.15-9.17	3.8430-5.8480	France	10.59-10.90
Greek Drachma	108.814-111.857	46.20-46.40	Germany	4.58¾-4.62¾
Hong Kong Dollar	19.0565-12.0965	5.0950-5.0050	Italy	2183-2210
Iran Rial	170.00*	72.25*	Japan	491-496
Kuwait Dinar(KD)	0.639-0.644	0.2791-0.2729	Netherlands	4.08¼-5.03¼
Luxembourg Frc.	73.85-74.15	31.21-31.25	Norway	18.16-12.26
Malaysia Dollar	5.1860-5.2135	2.1910-8.1960	Portugal	107¼-132
New Zealand Dlr.	2.4765-9.4815	1.0450-1.0460	Spain	195½-192½
Saudi Arab. Riyal	7.81-7.87	3.5500-3.3520	Sweden	10.35-10.45
Singapore Dollar	4.9575-4.0760	9.0910-9.0960	Switzerland	4.16-4.20
Sth. African Rand	1.7705-1.7756	0.7480-0.7485	United States	9.35¼-2.38¼
U.A.E. Dirham	8.62-8.68	5.6700-3.6750	Yugoslavia	79-82

Rate given for Argentina is free rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	41.1921	+3.52	+1.13	±1.53
Danish Krone	7.72336	7.88785	+2.13	−0.26	±1.64
German D-Mark	2.48208	2.55917	+3.11	+0.72	±1.125
French Franc	5.84700	5.92019	+1.25	−1.14	±1.3557
Dutch Guilder	2.74362	2.78678	+1.57	−0.82	±1.512
Irish Punt	0.668201	0.687321	+2.86	+0.47	±1.683
Italian Lira	1157.79	1216.13	+5.04	+2.79	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Dec. 23	PoundSterling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.370	4.618	492.0	10.65	4.180	5.010	9195.	2.324	74.05
U.S. Dollar	0.422	1.	1.947	207.6	4.494	1.764	2.114	921.0	1.102	31.24
Deutschemark	0.217	0.514	1.	106.5	2.308	0.906	1.086	473.2	0.610	16.06
Japanese Yen 1,000	2.033	4.817	9.390	1000.	21.66	9.496	10.18	4441.	5.740	150.5
French Franc 10	0.950	2.226	4.333	462.0	10.	3.925	4.704	2052.	2.652	60.53
Swiss Franc	0.239	0.567	1.104	117.7	2.548	1.	1.199	503.7	0.576	17.72
Dutch Guilder	0.200	0.475	0.921	98.20	2.126	0.834	1.	436.1	0.564	14.78
Italian Lira 1,000	0.458	1.086	2.112	225.2	4.874	1.013	2.225	1000.	1.292	33.99
Canadian Dollar	0.354	8.830	1.634	174.2	3.771	1.480	1.774	773.7	1.	26.22
Belgian Franc 100	1.350	3.001	6.032	664.4	14.32	5.645	6.766	2951.	3.814	100.

FT LONDON INTERBANK FIXING (11.00 a.m. DECEMBER 23)

3 months U.S. dollars		6 months U.S. dollars	
bid 17 13/16	offer 17 15/16	bid 16	offer 16 1/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates of $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Dec. 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	13½-14	20-20½	17-18	9¾-9⅞	¼-¾	8⅝-8⅞	10⅝-10⅞	13-15	11½-11¾	7-7½
7 days' notice	14-14½	22-22½	17-18	9-9⅛	26.98	10⅛-15⅛	10⅝-10⅞	17¾-18¾	12-12½	8¼-8½
Month	14¾-15	20-20¼	17-17¾	9⅛-8⅛	8⅝-8⅞	10⅛-10¼	11⅛-11⅝	17-19⅞	19⅛-19⅜	0⅝-0⅝
Three months	14⅝-14¾	18-19¼	15¾-16½	9⅝-8¾	7⅝-7¾	2⅞-10	19-19¼	18¼-10¼	19⅞-13	2½-0¾
Six months	14¼-14½	15⅞-16⅛	14-14¾	10-10⅛	7⅝-7½	9⅝-9¾	18⅛-12⅛	12½-19½	13⅛-15⅛	9⅝-9⅞
One Year	14⅛-14⅛	14⅞-15⅞	15½-14¼	10⅛-10⅛	3⅝-6½	8⅝-9⅛	12⅞-13¼	19½-00⅛	15⅛-13¼	9½-9¾

Asian $ (closing rates in Singapore), one-month — per cent; three-months — per cent; six-months — per cent; one year — per cent. Long-term Eurodollar two years 14-14½ per cent; three years 14-14½ per cent; four years 13⅞-14⅛ per cent; five years 13¾-14¼ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 19.90-20.10 per cent; three-months 17.50-17.70 per cent; six-months 15.70-15.80 per cent; one year: 14.50-14.70 per cent.

INTERNATIONAL MONEY MARKET

Frankfurt tight

Short-term money was quoted at 9-10 per cent in Frankfurt yesterday as banks tried to obtain funds to settle eod of year payments. Major commitmeots included tax payments ood civil service pension payments. However recent measures by the Bundesbank to ease liquidity in the market are due for repayment before the year eod, and this has caused further nervousness io the market. Borrowing through the Lombard facility has not expanded to any great extent, and baoks have kept within their minimum reserve liabilities. In the money market period rates were generally unchanged.

In Paris call money was quoted at 10⅝ per cent compared with 10⅝ per cent on Monday, while period rates were little changed in view of the proximity of Christmas and the New Year.

In Rome, rates for three and 12-month Treasury bills fell to 5.80 per cent and 16.14 per cent respectively at the latest auction from 5.89 per cent and 16.55 per ceot. Six-month bills were unchanged at 16.35 per cent.

In New York Chase Manhattan Bank cut its prime rate to 20½ per cent from 21½ per cent following a similar move by Wells Fargo Bank. Meanwhile Treasury bills yields were lower at the openiog, with 13-week bills at 14.60 per cent against an average of 14.992 per cent at Mooday's auction, and 26-week bills at 13.60 per cent compared with 14.032 per cent. Federal funds were quoted at 18¾ per ceot from ao early rate of 19 per cent aod 18 per ceot oo Mooday.

UK MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 14 per cent (from November 24, 1980)

Day to day credit was in good supply in the Londoo money market yesterday, aod the authorities took out the surplus by selling a very large amount of Treasury bills both to discouot houses and banks. Discouot houses were paying up to 13½ per cent for secured call loans at the start, with later balances taken as low as 11 per cent. The market was faced with a small oet Treasury bill take up, but this was more than outweighed by a very large excess of Government disbursemeots over revenue transfers to the Exchequer, aod a small fall in the note circulation. In addition banks brought forward balances a large way above target.

In th interbank market overnight loaos opened at 13¾-13½ per cent aod eased duriog the afternoon to 8-9 per cent, with small late balances taken at 13¾-14 per ceot.

GOLD

Further rise

Gold rose $9 to close at $603-$606 in the London bullion market. The metal opened at $592-595, and was fixed at $596.50 in the morniog aod $602.50 io the afternoon. The market was quiet ahead of the Christmas holiday, but gold was helped by the weak dollar following the reduction in U.S. bank prime lending rates.

In Paris the 12½ kilo gold bar was fixed at FFr 92,000 per kilo ($638.37 per ounce) in the afternoon, compared with FFr 92,000 ($633.42) in the morning, and FFr 91,350 ($621.66) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 37,345 per kilo ($600.000 per ounce), against DM 37,755 ($595.51), and finished at $601-604, compared with $594-$597.

In Zurich gold closed at $604-$607, against $593-596.

GOLD

	Dec. 23		Dec. 22	
Gold Bullion (fine ounce)				
Close	$603-606	(£054¼-035½)	£594-597	(£952-253½)
Opening	$592-595	(£231¼-062½)	$503-306	(£250⅝-253½)
Morning fixing	$526.50	(£251.570)	$594	(£252.765)
Afternoon fixing	$602.50	(£255.631)	$594.75	(£252.494)
Gold Coins				
Krugerrand	$622-624	(£262½-264)	$612-620	(£262-264)
1/2 Krugerrand	$317-592½	(£154-156)	$514-318	(£133¼-155½)
1/4 Krugerrand	$160-165	(£67½-69¾)	$132-163	(£67-68¼)
1/10 Krugerrand	$65-67	(£27½-28¼)	$64-67	(£27¼-28½)
Mapleleaf	$612-622	(£260½-262½)	$613-617	(£260-265)
New Sovereigns	$152-155	(£64-65)	$151½-155	(£64-65)
King Sovereigns	$172-174½	(£72½-74)	$172-174	(£73-75)
Victoria Sovs.	$178-174½	(£72½-74)	$172-174	(£73-75)
French 20s	2162½-164	(£64½-65)	$158-160	(£67-68)
50 pesos Mexico	6745-749	(£514½-316¼)	$759-745	(£315¾-515½)
100 Cor. Austria	$585-589	(£247-248¾)	$582-586	(£247-948¾)
$20 Eagles	$705-710	(£207½-228¾)	$685-700	(£296-287¼)

MONEY RATES

NEW YORK

Prime Rate	20-21½
Fed. Fund	18¾
Treasury Bills (13-week)	14.60
Treasury Bills (26-week)	13.60

GERMANY

Discount Rate	7.60
Overnight Rate	8.60
One month	10.625
Three months	10.525
Six months	10.075

FRANCE

Discount Rate	9.5
Overnight Rate	10.625
One month	11.00
Three months	11.5625
Six months	12.3125

JAPAN

Discount Rate	7.25
Call (Unconditional)	8.3125
Bills Discount (three-month)	8.53125

LONDON MONEY RATES

Dec. 22 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	8-14	10-15	—	—	13-14	11-13⅛	—	—	—
2 days notice	—	—	14-14½	—	—	—	—	—	—	—
7 days or 7 days notice	—	13½-14¼	14⅝-14½	—	14¼	14½	13¼-13⅝	—	—	—
One month	14⅝-14½	14½-14⅝	14⅞-14⅞	16⅝-16	14⅞	14⅛-15	13½-13¾	13¼	14¼	14¾
Two months	14¾-14⅝	14⅝-14½	—	14⅞-15⅝	14½	15⅛	13½	13⅛	14¼	14⅝
Three months	14¾-14⅝	14⅝-14¾	14⅝-14¾	14⅝-15	14⅞	15-15⅛	13⅞	13⅛	14⅞	14½
Six months	14¼-14⅛	14¼-14⅜	14¼-14⅜	14¼-14⅝	14⅝	14⅞	—	—	15⅛-13⅝	13¾
Nine months	13⅞-13⅞	14-14¼	—	14⅛-14⅛	14½	14⅞	—	—	—	—
One Year	13¾-13⅝	13⅞-14⅛	13⅞-14	13¾-14¼	14⅜	14¾	—	—	—	—
Two years	—	—	13⅝-15⅞	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13¾-13⅞ per cent; four years 13⅞-13⅞ per cent, five years 13¾-14 per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bills 13⅞ per cent; four-month trade bills 14¾ per cent.

Approximate selling rate for one-month Treasury bills 13⅞ per cent; two-months 13⅛ per cent; three-months 13⅞ per cent. Approximate selling rate for one-month bank bills 14¼-14⅜ per cent; two-months 14⅛ per cent; three-months 13⅞ per cent; one-month trade bills 14½ per cent; two-months 14½ per cent and three-months 14¼ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16 per cent from December 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.1347 per cent.

Notice of Redemption

Massey-Ferguson Nederland N.V.

9% Guaranteed Sinking Fund Debentures Due January 15, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of January 15, 1970 under which the above described Debentures were issued, First National City Bank, (now Citibank, N.A.) as Fiscal Agent, has drawn by lot, for redemption on January 15, 1981, through the operation of the Sinking Fund provided for in the said Indenture, $1,500,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF $1,000 PRINCIPAL AMOUNT OUTSTANDING

M55	1063	2083	3305	4337	5505	6712	7847	9161	11361	12646	13800	14887	15965	16836	17946	19026
67	1065	2111	3306	4343	5525	6724	7849	9165	11372	12683	13856	14893	15972	16852	17961	19068
79	1107	2123	3316	4357	5531	6740	7860	9335	11383	12693	13860	14907	15977	16861	17979	19071
94	1114	2141	3318	4361	5534	6770	7874	9350	11395	12694	13897	14911	15980	16871	18006	19084
98	1126	2142	3326	4362	5555	6784	7898	9398	11412	12721	13902	14918	15986	16874	18049	19105
99	1140	2236	3348	4374	5581	6791	7904	9403	11439	12722	13905	14927	15989	16878	18055	19149
100	1154	2253	3355	4387	5582	6792	7933	9404	11479	12731	13907	14946	15990	16880	18082	19165
111	1202	2261	3376	4405	5583	6806	7937	9405	11480	12732	13914	14948	15994	16892	18086	19165
113	1212	2270	3417	4419	5584	6807	7941	9450	11563	12770	13931	14959	15997	16934	18089	19167
123	1216	2275	3410	4464	5597	6810	7973	9522	11581	12773	13935	14965	16023	16957	18111	19232
131	1221	2283	3440	4465	5599	6814	7985	9528	11585	12779	13937	14969	16028	16958	18142	19234
134	1254	2285	3461	4466	5602	6815	7993	9652	11599	12823	13943	14970	16051	16963	18194	19242
167	1260	2296	3493	4467	5603	6818	8000	9653	11603	12833	13962	14974	16057	16967	18196	19243
170	1268	2312	3506	4475	5605	6829	8004	9685	11604	12846	13963	14978	16059	16970	18212	19248
171	1273	2415	3512	4480	5606	6833	8005	9689	11606	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
172	1294	2423	3513	4496	5614	6841	8006	9691	11609	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
177	1299	2436	3524	4501	5615	6844	8061	9695	11625	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
187	1300	2449	3538	4511	5621	6847	8063	9745	11641	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
192	1301	2451	3547	4524	5622	6853	8095	9746	11647	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
194	1331	2465	3549	4525	5650	6899	8096	9756	11653	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
213	1333	2476	3552	4530	5651	6900	8103	9758	11655	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
216	1338	2494	3554	4532	5658	6902	8129	9803	11659	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
249	1352	2499	3564	4538	5677	6916	8136	9808	11684	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
250	1363	2506	3573	4550	5692	6945	8211	9819	11691	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
251	1392	2523	3591	4551	5703	6985	8242	9932	11693	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
257	1393	2526	3626	4563	5714	7000	8250	9952	11746	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
267	1407	2556	3632	4598	5718	7001	8259	9982	11753	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
279	1409	2564	3642	4620	5721	7005	8260	10144	11764	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
291	1410	2567	3654	4624	5722	7007	8261	10156	11765	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
292	1424	2572	3675	4625	5723	7008	8268	10355	11815	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
337	1427	2625	3676	4626	5730	7011	8279	10436	11818	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
354	1430	2668	3678	4629	5738	7025	8290	10442	11833	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
373	1435	2683	3687	4631	5760	7035	8293	10456	11858	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
386	1436	2685	3698	4644	5762	7087	8304	10512	11866	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
404	1443	2689	3710	4645	5802	7114	8306	10529	11868	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
406	1459	2708	3711	4660	5804	7126	8324	10640	11872	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
418	1477	2720	3765	4669	5808	7152	8385	10652	11873	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
425	1479	2721	3766	4677	5880	7167	8393	10659	11901	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
462	1498	2733	3773	4685	5883	7170	8411	10660	11911	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
467	1514	2778	3776	4690	5893	7175	8412	10681	11913	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
476	1542	2793	3792	4700	5955	7180	8457	10716	11914	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
489	1551	2810	3796	4701	5968	7194	8465	10743	11965	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
501	1552	2839	3811	4716	5970	7211	8481	10757	11977	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
503	1553	2843	3816	4752	5974	7213	8482	10804	11999	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
504	1557	2854	3825	4766	6015	7246	8498	10834	12035	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
541	1561	2857	3853	4785	6026	7248	8503	10838	12047	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
554	1569	2869	3873	4824	6027	7249	8520	10842	12052	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
584	1574	2880	3875	4825	6032	7259	8547	10871	12065	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
589	1575	2881	3878	4833	6053	7265	8554	10902	12075	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
594	1606	2882	3895	4839	6054	7287	8579	10920	12092	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
599	1612	2904	3930	4840	6075	7291	8586	10929	12105	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
615	1613	2911	3938	4850	6082	7323	8587	10935	12124	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
623	1634	2912	3944	4855	6088	7327	8609	10938	12125	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
633	1648	2915	3948	4869	6104	7330	8619	10947	12135	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
644	1651	2967	3981	4870	6106	7336	8620	10951	12159	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
653	1709	2971	4007	4913	6110	7345	8654	10965	12176	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
691	1711	2990	4029	4915	6117	7381	8680	10966	12211	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
692	1713	3030	4032	4937	6118	7407	8685	10994	12235	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
839	1890	3150	4238	5115	6353	7567	8832	11203	12482	13610	14720	15734	16622	17709	18897	19927
853	1946	3153	4239	5152	6385	7586	8833	11210	12497	13629	14756	15739	16635	17736	18901	19974
862	1960	3156	4259	5161	6408	7591	8840	11214	12498	13633	14766	15772	16637	17745	18912	19991
863	1961	3169	4263	5164	6425	7607	8864	11237	12500	13655	14769	15776	16647	17746	18916	20000
885	1968	3171	4271	5175	6440	7618	8876	11246	12504	13686	14775	15811	16654	17747	18920	
892	1969	3177	4277	5178	6480	7623	8905	11240	12515	13695	14794	15822	16658	17761	18963	
921	1976	3186	4289	5181	6489	7639	8919	11258	12540	13732	14814	15892	16672	17783	18964	
927	1977	3189	4291	5185	6553	7641	8929	11259	12543	13760	14813	15917	16692	17813	18965	
929	1981	3191	4299	5186	6561	7644	8994	11263	12574	13761	14815	15926	16696	17835	18966	
932	1983	3203	4304	5277	6629	7646	9001	11272	12580	13767	14816	15929	16725	17843	18968	
944	1989	3207	4311	5282	6638	7669	9058	11274	12589	13768	14818	15939	16728	17851	18971	
947	2000	3222	4318	5298	6643	7741	9076	11306	12596	13771	14832	15945	16763	17853	18975	
956	2026	3231	4324	5323	6656	7753	9087	11312	12611	13777	14837	15946	16770	17877	18989	
978	2053	3240	4325	5358	6657	7754	9091	11313	12626	13782	14839	15949	16782	17887	19000	
982	2060	3252	4326	5464	6675	7810	9096	11345	12643	13794	14849	15957	16786	17894	19003	
1015	2073	3297	4332	5468	6676	7840	9104	11349	12644	13796	14855	15961	16810	17936	19005	
1062	2079	3301	4336	5493	6681	7846	9105	11353	12645	13800	14865	15963	16819	17938	19008	

The Debentures specified above, are to be redeemed for the said Sinking Fund at the **Multinational Securities Services of the Fiscal Agent, 111 Wall Street, 5th Floor—Bond Windows, in the Borough of Manhattan, The City of New York, State of New York;** or at the main offices of Banca Nazionale del Lavoro, Rome; Banque de Paris et des Pays-Bas, Luxembourg; Credito Italiano, Milan; Deutsche Bank Aktiengesellschaft, Dusseldorf; Dresdner Bank Aktiengesellschaft, Frankfurt/Main; Hill Samuel & Co. Limited, London; Pierson, Heldring & Pierson, Amsterdam; Societe Generale, Paris or Societe Generale de Banque S.A., Brussels, as the Company's paying agents, and will become due and payable on January 15, 1981 at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the said Debentures will cease to accrue.

The said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the redemption date.

For MASSEY-FERGUSON NEDERLAND N.V.

By CITIBANK, N.A.
Fiscal Agent

December 16, 1980

INTERNATIONAL COMPANIES and FINANCE

Steady third quarter maintains growth at Beatrice Foods

BY TERRY BYLAND

BEATRICE FOODS, the major food processor, looks set to maintain its record of annual increases in profits this year, with the help of a further rise in sales in the third quarter.

At the nine-month stage, earnings are 4 per cent ahead at $233.5m, or $2.26 a share, on sales 5.6 per cent up at $6.55bn.

After six months, earnings showed a 3.7 per cent rise on sales 5.3 per cent ahead.

The third quarter showed a rise of 6.1 per cent in sales at $2.25bn, and a 4.6 per cent gain in profits to $80.8m or 78 cents a share.

Beatrice has thus maintained its pattern of annual increases in profits for 28 years.

In September, the group acquired Bob Evans Farms for shares. Evans, which makes sausages and operates family restaurants, turned in sales of $11.4m in its last fiscal year.

But a problem has been presented for the group in the form of an FTC ruling that it must sell Tropicana Products, acquired for $488m in 1978. Tropicana, a major producer of orange juice, is a significant factor behind Beatrice's hopes for further increases in profits.

For the current fiscal year, which ends on February 28, earnings of about $3.10 a share have been forecast on Wall Street.

Ranger Oil takes over Kissinger Petroleum

BY ALAN FRIEDMAN

IN A MOVE to expand its American activities Ranger Oil, the Canadian-based oil company, has purchased the outstanding shares of Denver-based Kissinger Petroleum for a total of $63m (£26.8m). The purchase price includes a payment of $45m for the shares, primarily those of the late Clyde Kissinger, and the assumption of $18m of debts.

Ranger, which has interests in Canada, the U.S. and the North Sea, is currently capitalised at around $1.2bn. As a result of yesterday's redetermination of the Ninian Field the company's share is now estimated at 6.2 per cent.

Mr. Al Surridge, vice-president for finance, said yesterday that the purchase of Kissinger, a private company, would be used to develop a strong base in the Northern part of the U.S. The company already has an office in Texas. "Kissinger will be operated as a subsidiary in the States. Its Canadian operations will be integrated into Ranger," he said.

Mr. Surridge said that Kissinger owned four drilling rigs and nearly 500,000 acres of land in the U.S. and Canada. He estimated Kissinger's proven reserves at 55bn cubic feet of gas in Canada and 900,000 barrels of oil in the U.S.

The deal came about as a result of the collapse of an earlier acquisition plan by Blocker Oil, according to Mr. Surridge. This plan was abandoned by Blocker as a result of resistance to Canada's new budget and national energy programme.

General Instrument ahead

BY OUR FINANCIAL STAFF

EARNINGS PROGRESS remained strong in the third quarter, reports General Instrument, a leader in the racecourse betting equipment industry, and a further increase in the final quarter is expected.

The earnings total for the first nine months shows a 34 per cent gain at $49.3m or $5.52 a share. Sales, at $618.6m, are 20 per cent ahead.

In 1980 General Instrument earned $51.1m or $5.90 a share on sales of $178.1m. But the board is confident that, with further gains likely in the final quarter, the full year will exceed 1979.

Rupert Cornwell, in Rome, reports on the outlook for the telecommunications industry in Italy

A critical test for government direction

THE ITALIAN telecommunications sector is under pressure to take within the next weeks and months a series of decisions which are likely to determine the financial, organisational and technological shape of the industry for much of the new decade.

The situation today could hardly be more fluid and confused. But what is ultimately at stake is whether the country's authorities can use the opportunity presented by the massive modernisation scheduled for Italy's telecommunications network in the coming years to give Italy a real foothold in a high technology growth area.

The most immediate need is to restore the finances of SIP, the principal telephone operating utility in Italy. SIP's debts are currently reckoned at around L7,000bn ($7.4bn), and its 1980 losses are forecast at about L350bn.

Without an immediate injection of funds—or at least a debt moratorium—SIP is faced with the threat of having to cut back severely, or even suspend, ordering programmes from key subcontractors, most notably Italtel (formerly SIT-Siemens) which accounts for over 50 per cent of domestic telephone equipment market.

On December 18 a shareholders meeting of STET, the financial holding company which is SIP's parent, was due to have been held to approve a L800bn ($842m) capital increase, the bulk of which would have been channelled into SIP, whose financial plight has been made worse by its failure to secure adequate tariff increases from the government.

But at the last moment the meeting was called off, and rearranged for December 29, following the mysterious failure of a representative of IRI (Istituto per La Ricostruzione Industriale), the state conglomerate which controls STET, to attend.

No reason has been made public for the surprise absence. It is understood, however, that IRI, which itself is facing severe financial problems, is unwilling to shoulder the burden alone of restoring STET and SIP to financial health. Plans, meanwhile, are believed to be underway for several public sector credit institutes to make additional funds available to SIP.

The picture is complicated still further by calls for a change in the structure of the state-run telecommunications industry, which would give SIP, which now has some 14m subscribers, a greater autonomy in running its own affairs.

This might take the form of establishing a clearer split between the utility SIP and the various equipment suppliers like Italtel, Selenia and SGS-Ates, all of which are also subsidiaries of STET.

At the same time pressure is growing for an end to the anachronistic distribution of revenues from the Italian telephone system. SIP has to carry investments for the whole system, but revenues from many long distance calls in the country go to a separate, highly profitable, concern, ASST, while international calls are handled by a third concern, Italcable. SIP's income largely derives from local calls and certain trunk calls in Italy itself.

All this, however, is connected with, and in a sense overshadowed by, the industrial choices facing the industry as Italy belatedly moves to a fully electronic, highly automated, telephone system. The manoeuvres now under way may lead to far reaching and highly innovative developments in the country's corporate landscape.

Italy today is basically seeking to carry out a similar exercise to that pushed through by France five years ago, when heavy intervention by the Paris authorities used the changeover to time division switching exchanges to transform the country's telecommunications sector.

Nothing, of course, could be more different from the ruthlessly efficient "dirigiste" methods of France than the dilatory and bureaucratic public administration of Italy.

Nonetheless, some industry strategists are thinking in terms of a new telecommunications system grouping here—embracing Italtel, whose "proteo" fully electronic switching technology could be central to Italy's moderinsation programme, Telettra, the transmission and switching specialist subsidiary of Fiat, Olivetti, and perhaps a foreign ally possessing proven technology. Sweden's Ericsson, which controls the Fatme company here, and General Telephone and Electronics of the U.S. are the two names most frequently mentioned.

Olivetti has never concealed its aim to become involved in "Telematics," the area where electronics and communications overlap. And its deal with Saint-Gobain of France earlier this year had important implications in that direction.

Since then, however, talk has been insistent that Sig. Carlo de Benedetti, Olivetti's managing director, was planning a deal with STET. This, it was said, would see STET taking a minority stake in Olivetti's capital, while the latter might gain an interest in STET or Italtel, as a key to entering this large and potentially lucrative market.

Sig. de Benedetti last we[ek]end denied these suggestio[ns] but remarked that ST[ET] and Olivetti were operating [in] overlapping sectors and th[ey] had to liaise closely.

Moreover, whatever [the] strength of the rumours, cr[oss-]fertilisation between the [two] concerns at a personal level [is] considerable. Sig. Ottorino B[el]trami, a former Olive[tti] managing director, is now pre[si]dent of SIP and widely tipp[ed] as the next president of ST[ET] itself. Signa. Marisa Bellisa[rio], a former head of Olivett[i's] American operations, is now [a] senior executive at Italtel.

Add to this the enthusias[tic] advocacy of Sig. Gianni [de] Michelis, the Minister for St[ate] Shareholdings, of closer ti[es] between the public and priva[te] sectors, and it is easy to see w[hy] some people are less than co[n]vinced by Sig. de Benedetti['s] denials.

It remains to be seen, how[ever], whether Italy's publ[ic] administration can for once ta[ke] the necessary decisions swift[ly] enough.

Belzberg brothers boost stake in Bache Group

BY DAVID LASCELLES IN NEW YORK

THE BELZBERG brothers of Canada have disclosed that they have continued to increase their ownership of shares in Bache Group, the large Wall Street investment firm.

In filings with the Securities Exchange Commission, the brothers' company, First City Financial, said it had raised its holdings from 14 per cent to 15.5 per cent through purchases made between November 24 and December 11.

The SEC filing said that the company had no present plans to take over Bache. However, Bache made no secret of its nervousness about the Belzberg's intentions a year ago when the brothers started accumulating a sizeable position.

The Belzbergs bought part of their holdings from the Hunt Brothers of Dallas, who are in the process of re-ordering their finances following the silver crisis earlier this year. Ironically, Bache originally persuaded the Hunts to buy Bache shares to ward off the Belzbergs.

TNT buys U.S. group

BY OUR FINANCIAL STAFF

THOMAS NATIONWIDE Transport, the Australian group, is to acquire Pilot Freight Carriers of the U.S. for some U.S.$28m. TNT will also acquire Pilot Freight's affiliated real estate company, Terminal Warehouse Corp.

The acquisition of Pilot Freight Carriers, a U.S. trucking and warehousing company of Winston Salem, North Carolina, requires the approval of the relevant U.S. and Australian authorities.

Revenues of the U.S. company, ranked as the 37th largest general commodity carrier in the U.S., will be around $140m.

Rights issue from Swiss Pirelli

By John Wicks in Zurich

A RIGHTS issue to raise SwFr 50m ($28.2m) is proposed by Societe Internationale Pirelli the Basle-based holding company of the Italian tyres group.

The issue will be on a one-for-six basis at SwFr 200 a share and involves 250,000 new bearer shares of SwFr 100 nominal value. Holders of participation certificates will also be able to subscribe new certificates under the same conditions. This will raise a further SwFr 2.41m for the company.

A further funding by the Swiss holding company is planned for March when a convertible bond is to be issued. Conversion would be into participation certificates.

On the basis of increased sales and "satisfactory" earnings as of November, the company anticipates "favourable" business development during the current year ending June 30, 1981.

● Increased earnings are forecast for 1980 by Hilti, the Lichtenstein-based maker of construction equipment.

Sales have apparently moved up to SwFr 10.2bn while net profits are expected to rise above their level of 1979 to around SwFr 60.7m ($35.5m).

Hilti, which sells its profits in some 80 national markets, now has manufacturing units in four European countries, the U.S. and Mexico.

Commerzbank sells more shares

BY STEWART FLEMING IN FRANKFURT

COMMERZBANK, which earlier in the month announced the sale of a 32 per cent stake in Kaufhof, the leading West German stores group, has now disposed of half its 25 per cent holding in Germany's second largest building company, Hochtief.

In a complex transaction the bank has in effect sold a 12½ per cent shareholding in Hochtief worth on the stock market around DM50m ($11m). The sale price, however, will be significantly more than the current share price of the company since, under German law, holding of this size convey special tax and voting privileges.

Commerzbank's total holdig in Hochtief is just over 25 per cent but the deal it has announced will leave it with an indirect stake in the building company of 12½ per cent. The 25 per cent holding has been sold to a holding company called Francommerz, in which Commerzbank has a 40 per cent interest. Almueco has 40 per cent and a Swiss company, Watt AG, has 20 per cent.

Almueco is 75 per cent owned by companies controlled by the big German insurance concern Allianz. The other 25 per cent is owned by Commerzbank itself.

The impact of the sale on Commerzbank's own finances will be limited, however, because the bank last year took some of the potential profits from a disposal of Hochtief into its already slumping profits b[y] selling the shares privately [to] an unnamed holding compan[y] which is believed to have bee[n] a wholly owned Commerzban[k] subsidiary.

Since that sale, however, th[e] Hochtief shares have risen fro[m] around DM 390 to a recent pric[e] of DM 459.

* * *

DEMINEX, a 54 per cent owne[d] subsidiary of the West Germa[n] state-controlled energy grou[p] Veba, plans to increase its crud[e] oil production to 10m tonnes [a] year by the end of the decad[e].

It said that to achieve i[ts] 10m tonnes target, it will hav[e] to continue to invest abou[t] DM 400m ($203m) a year o[n] exploration.

Dollar bond prices firmer in quiet trading

By Peter Montagnon

STRAIGHT dollar Eurobonds posted gains of between ¼ and ½ points yesterday though trading was restricted ahead of the Christmas holiday.

Dealers said the market opened firm but fell back slightly after New York opened lower following the announcement of a new 20-year U.S. Treasury issue. The loss, however, was more than made up after news that Chase Manhattan decided to pare its prime rate by half a point to 20½ per cent.

Volume was reduced to a minimal level since few operators were ready to take up new positions ahead of the holidays despite signs of a peak in U.S. rates. Among individual issues Credit National's new $50m bond was quoted unofficially at 105 bid, compared with 104½ bid on Monday.

Some activity was recorded in floating rate notes where issues which recently had coupons fixed at a high level attracted interest.

Sterling Eurobonds and Deutsche Mark foreign issues were also marked up in sympathy with the dollar sector.

German dealers said that buying interest was still modest, but it appears to be coming from abroad. Domestic investors who have recently been attracted to Deutsche Mark foreign bonds because of their high yield are growing less interested in this sector as yields move closer into line with those available on the domestic market.

The gentlemen's agreement between leading banks and the Bundesbank to restrict capital exports also helped sentiment as it means little new paper will be coming on to this market in the months ahead.

SPAIN

December 23	Price %	+ or −
Banco Bilbao	249	
Banco Central	275	
Banco Exterior	227	
Banco Hispano	230	
Banco Ind. Cat.	120	
Banco Madrid	141	
Banco Santander	282	
Banco Urquijo	145	
Banco Vizcaya	263	
Banco Zaragoza	204	
Dragados	82	−3
Espanola Zinc	46	
Fecsa	62	+2.8
Gal. Preciados	24	+2
Hidrola	71	+3
Iberduero	61	−0.2
Petroleos	77	−3
Petroliber	80	
Sogefisa	102	
Telefonica	61	
Union Elect.	67	+0.8

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary marke[t] exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Monday, January 12.

Closing prices on December 2[3]

U.S. DOLLAR STRAIGHTS — Issued, Bid, Offer, Change on day, week, Yield: [illegible]

DEUTSCHE MARK STRAIGHTS: [illegible]

SWISS FRANC STRAIGHTS: [illegible]

YEN STRAIGHTS: [illegible]

OTHER STRAIGHTS: [illegible]

FLOATING RATE NOTES — Spread, Bid, Offer, C.dte, C.cpn, C.yld: [illegible]

CONVERTIBLE BONDS — Cnv. date, Cnv. price, Bid, Offer, Chg. day, Prem:

Bond	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]						
MEPC 8½ 96	2/81	2.47	91½	92½	0	4.66
Niigata Eng. 7½ 96	1/81	327	91½	92½	+0¼	−2.97
Nissho-Iwai Co. 8 96	10/80	398	88½	89½	−0½	−4.78
[illegible] 95	8/80	604	104	105	−0¼	−3.69
Sumitomo M. Ind. 7 95	2/81	181	99½	100½	+0½	−1.54
[illegible] 90	9/80	200	*193	94	+1½	6.33
[illegible] 8½ 90	1/81	409	91½	92½	+0¼	6.50
Tranaco Int. 8½ 95	2/81	68	†96	97½	+1	16.18
Tricore 8½ 95	12/80	31.25	†99½	101	+1½	4.43
Union Bk. Switz. 5 89	2/80	121.4	†88	90	−0½	−11.29
Fujitsu 5 84 DM	7/79	431.5	130½	131½	+0½	−0.30
Sharp Cpn. 6½ 88 DM	9/80	595	124½	125½	−1½	−1.35
Uny Co. 6½ 85 DM	11/79	967.3	101	102	+0½	2.64

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price: the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Groupe Bruxelles Lambert setback

By Giles Merritt in Brussels

GROUPE Bruxelles Lambert, one of Belgium's leading financial and industrial holdings groups, will not pay a dividend for the year ended September 30 following a dramatic tumble in profits.

The group, which links the Compagnie Bruxelles Lambert holdings concern with Belgium's second largest bank, Banque Bruxelles Lambert, revealed that net earnings had dropped by almost half of BFr 939.8m ($29.8m)—against BFr 1.78bn the year before and BFr 2.3bn in 1978.

The group emphasised that the major contributory factors were the large appreciation of Compagnie Bruxelles Lambert's domestic portfolio and depreciation of its share holdings in hard hit sectors like the iron and steel industries.

Earlier this year Banque Bruxelles Lambert, in which the group has a 44 per cent stake, decided not to pay a dividend. Although Banque Bruxelles Lambert's performance is emphasised as mirroring that of the Belgian banking sector as a whole, accelerating costs have also cut deep into its financial performance.

The bank disclosed last September that it would not pay a dividend, and last month announced that, while its balance-sheet had increased by 13 per cent to BFr 692bn, net profits were down to BFr 304m for the year ended September 30, against BFr 706m.

In the five years since the Groupe Bruxelles Lambert was created to link banking and financial operations its gross asset value has more than tripled. But the break-up value per share of the group last September had dropped to BFr 5.054 from BFr 5,354 a year earlier.

Russel sees full year profit rise

By Des Kilalea in Johannesburg

ONE OF South Africa's largest furniture retailers Russel Holdings lifted earnings by 56 per cent to 45.4 cents a share in the six months ended October 31 compared with 29 cents in the previous comparable period and has declared a 9 cents interim dividend against 9 cents. For the second six months the directors expect a continuation of strong consumer demand which they say will result in an increase in earnings over the November-April period of fiscal 1980.

Turnover for the six months rose by 35 per cent to R108m ($143m) from R80m and improved shop-floor productivity helped pre-tax profit to rise by 58 per cent to R14m from R8.9m. Russel opened 11 new stores in the period, pushing the group total to over 290.

The directors say second-half earnings per share will be higher than the corresponding previous period's 38 cents, but they warn that the rate of improvement will not be as great.

AEG-Telefunken sells key subsidiary to Mannesmann

BY JONATHAN CARR IN BONN

AEG-TELEFUNKEN, the West German electricals group, plans to sell a key subsidiary to Mannesmann, the engineering concern, in a further effort to restructure and return to profitability.

The disposal of AEG's 83 per cent stake in Hartmann und Braun (H and B), an important manufacturer of electrical measuring and control equipment, is due to go through at the turn of the year.

No price has been revealed for the deal, which will be subject to approval by the Federal Cartel Office, but the move is not unexpected and has clear benefits for both sides.

For Mannesmann it means a further step in its diversification policy away from steel and into high-technology sectors which complement its existing production palette:

For AEG-Telefunken the decision has clearly been a tough one. It is relinquishing its interest in a concern with a share capital of DM 36m ($18.3m) world turnover this year of about DM 600m, and more than 5,000 employees. It is a company, moreover, with which AEG has been associated since 1968, gaining a majority interest just two years ago.

However, the decision to sell bears the clear stamp of Herr Heinz Duerr, who became AEG's executive board chairman earlier this year after a major banking rescue operation of the ailing group.

Herr Duerr made clear recently that AEG remained handicapped in its restructuring plans by shortage of capital—and that he was on the lookout for a partner or a buyer for H and B. Since then the main speculation has no longer concentrated on whether H and B would be sold—but to whom.

The sale is only the latest in a series of decisions involving AEG Premisese, its subsidiaries and management, which have followed one another in recent months with almost bewildering speed.

The company raised revenue from several sales including factory sites in Berlin and Braunschweig and the Draloric electronic components subsidiary. These brought in about DM 110m in all.

AEG has also taken several steps to increase its activities overseas, where it had long since fallen behind major competitors.

In October it signed an accord to set up a production base in China for the assembly of colour TV sets, and it is planning to co-operate with either the Japanese or the Dutch in manufacturing video-tape recorders.

Both AEG's order intake and world turnover are likely to show an increase of about 6 per cent this year to more than DM 15bn and investment will touch about DM 530m, nearly one-third more than last year.

Nonetheless, the company still has some way to go to profitability — although its balance sheet loss for this year is likely to be down to about DM 300m after some DM 1bn in 1979. It is in this context that the H and B sale has emerged.

Chemical downturn hits DSM

BY CHARLES BATCHELOR IN AMSTERDAM

DSM, the Dutch state-owned chemicals group, expects its 1980 result to be only just above break-even point compared with the net profit of Fl 89m ($42m) in 1979.

The strong recovery in the first half, which produced a profit of Fl 92m, has not been sustained in the final six months, explains the company. Costs have risen sharply and sales have declined "markedly."

Profits in recent years, and particularly of 1980, have been "much too low" to allow the healthy development of the group. The general downturn in the chemical industry is forcing companies to rationalise production and merge. However, DSM is confident of its future.

Investments will be aimed at modernising and expanding production capacity. Prospects for some of the company's activities are good though for others the outlook is fairly bleak.

Chemical products, in particular plastics and the raw materials for synthetic yarns, suffered from lower sales and inadequate prices though fertilisers bucked this trend. Industrial chemicals and plastics processing performed rather better, though volume sales were lower.

DSM's first half profit of Fl 55m was made on sales of Fl 7.8bn. The forecast of a roughly breakeven result for the whole of 1980 implies that a large loss has been incurred on chemical activities since DSM makes substantial profits from natural gas.

● Douwe Egberts, the Dutch coffee, tea, and tobacco group plans to acquire Coffex BV, an Amsterdam-based company which decaffeinates green coffee. Talks have begun with Coffex's joint owners, Coffex AG of Schaffhausen, Switzerland, and Douque's Koffie of Amsterdam.

Coffex BV has annual sales of Fl 20m ($9.4m) and employs 48 people in Amsterdam and Tessederlo, in Belgium. Coffex AG is a subsidiary of Jacobs of Zurich.

Yaumati Ferry rights to finance fleet expansion

BY ADRIAN BOYEN IN HONG KONG

THE HONG KONG and Yaumati Ferry Company (HYF) is to make a ten-for-one stock split and a HK$208m (US$40m) rights issue to finance a five-year programme of property development and fleet expansion. The new rights shares will be allotted on a one-for-two basis at HK$4.50 after the stock split and will be payable in two equal instalments, on February 17 and March 31.

The HK$300m five-year plan calls for another 21 ferries to be added to HYF's current fleet of 82 vessels, and the company also intends to redevelop its main pier into an at least three-storey commercial complex and to construct a hotel on one of Honk Kong's outlying islands.

The Board expects an 11 per cent increase to HK20.45m in profits for the year to December 31 and plans to pay a final dividend of 8 cents a share, which would make a total for the year of 11 cents a share, 18 per cent higher than for the previous year. The new rights shares will not qualify for the final dividend.

HYF's ferry franchise was recently extended to the end of 1981, but the company is now negotiating with the Government for a long-term franchise, which will probably fall under a new ferry service ordinance that the Government intends to introduce as a way of guaranteeing the future efficiency and viability of Hong Kong's ferry operations.

* * *

SUN HUNG KAI Properties, one of Hong Kong's leading property developers, is considering seeking a stock exchange listing for a subsidiary which would hold several of its properties, including the luxury Royal Garden Hotel in Kowloon, scheduled to open in mid 1981.

If the company goes ahead with the proposal it may declare a special dividend of shares in the new subsidiary. It has called an extraordinary meeting for January 15 to approve a change in the Articles of Association that will allow such a dividend.

Acquisition and Bumiputra issues by MUI

By Wong Sulong in Kuala Lumpur

MALAYAN UNITED Industries (MUI) has reached agreement with the Malaysian authorities on the issue of shares to Bumiputras (Malays) in line with the New Economic Policy.

The company will make a special issue of 21.77m shares of one ringgit each to Bumiputra institutions at the price of 4.5 ringgit per share, to raise 98m ringgit (US$44.3m).

This represents a substantial discount on its market price, which is around 15 ringgit.

MUI said that at the same time, it was making two acquisitions through share exchanges. It will acquire the entire share capital of the Federal Hotel at the resort of Port Dickson for 15.52m ringgit to be satisfied through the issue of 1.552m MUI shares valued at 10 ringgit each.

It is also taking up another 6.5 per cent of the unquoted Southern Banking Berhad (650,000 shares valued at 4.2 ringgit each) through the issue of 273,000 MUI shares at 10 ringgit each. This will bring the MUI stake in Southern Banking to 28 per cent, making MUI its largest shareholder.

APPOINTMENTS

Sir Anthony Tuke to be RTZ chairman

...Sir Anthony Tuke will take up his appointment as non-executive chairman of the RIO TINTO-ZINC CORPORATION on February 1 and will remain chairman of Barclays Bank until that company's next annual meeting in April.

★

Mr. Geoffrey J. Redmond, formerly managing director of Seddon Atkinson Vehicles, has been appointed financial director of CREDIT DATA and Dr. Michael Hamer has joined the Board as a non-executive director. Dr. Hamer is an assistant director of Barclays Merchant Bank, the company's financial adviser.

★

Mr. D. R. O'C. Cameron and Mr. D. C. Wake-Walker have been appointed to the Board of KLEINWORT BENSON LIMITED, merchant bankers.

★

Mr. Peter Sowter has been appointed financial director of R. AND J. PULLMAN from January 1. He will also join the Board of the company's subsidiary, B. Paradise on that date.

★

Mr. Rodney Evans has been appointed managing director of QUEENSBURY SIGNS, a subsidiary of More O'Ferrall, from January 1.

★

Mr. Adrian Ould is to become chief executive of MEMORY LANE CAKES, a Dalgety Spillers Foods company. Mr. Ould, who is finance director of Spillers Foods, will take up his new position in Cardiff in the New Year. He succeeds Mr. Bill Underwood, who has been appointed managing director, Federal Bakeries.

★

Mr. Keith D. Paiten, a director of COMINCO (UK), is to become deputy managing director on January 1.

★

Mr. Derek W. Jenkins has been appointed a director of READY MIXED CONCRETE from January 1. He joined the group in 1968 and was made group financial controller in 1977.

★

Mr. John Benjamin has been appointed director of personnel of the industrial group of J. BIBBY AND SONS.

★

Mr. D. C. Greig is to retire as non-executive chairman of WATSON AND PHILIP from December 31. Mr. J. C. Hadden, the present deputy chairman, has been appointed to succeed him.

★

Mr. M. J. Hare, deputy chairman of MADAME TUSSAUD'S, is to become chairman following the retirement of the Earl of Ranfurly from that position at the end of this month.

★

Mr. Virginius B. Lougee, III and Mr. Joseph J. Griffin have been appointed to the Board of GALLAHER from January 1. Mr. Lougee is president and chief operating officer of American Brands, Inc. and also chief executive officer of the American Tobacco Company division of American Brands, Inc. Mr. Griffin is tax director of American Brands, Inc.

Mr. R. K. Heimann, chairman and chief executive officer of American Brands, Inc., is retiring from that concern and from the Board of Gallaher at the end of this year.

★

Mr. R. M. H. Heseltine has been appointed to the Board of CRODA INTERNATIONAL from January 1 as director for corporate development. He is adviser to the chairman on acquisition policy and corporate finance.

★

Mr. E. M. Freeman joins the Board of GAYBRAITH WRIGHTSON SHIPPING on January 1, and Mr. R. A. F. Stow and Mr. G. Birch become members of the Board of GALBRAITH WRIGHTSON LIMITED from that date.

★

Mr. John Nott, Secretary for Trade, has appointed four new members to the Newspaper Panel, from which additional members are appointed to the MONOPOLIES AND MERGERS COMMISSION, to assist in the investigation of newspaper mergers.

The new appointments are Mr. David Churchill, Financial Times correspondent on Consumer Affairs, formerly on trade union matters; Mr. Ronald Halstead, chairman of Beecham Products and managing director (consumer products) of Beecham Group. Dr. John Stevenson, senior lecturer in history at Sheffield University and formerly lecturer in history at Oriel College, Oxford; and Capt. Iain Tennant, chairman of Grampian Television and chairman of the Glenlivet Distillers.

Four members of the Panel whose appointments came to an end during this year have accepted invitations to serve for a further term. They are: Lord Annan, vice chancellor, University of London; Mrs. Christine Bicknall, a member of the British Library Board and formerly an Assistant Secretary of the then Board of Trade; Mr. Alistair Burnet, journalist with Independent Television News; and Mr. J. Clement Jones, former editor of the Wolverhampton Express and Star.

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	16.12.80	23.12.80	AVERAGE YIELD	16.12.80	23.12.80
DM Bonds	91.22	91.34	DM Bonds	9.451	9.390
HFL Bonds & Notes	92.52	92.45	HFL Bonds & Notes	10.350	10.355
U.S. $ Strt. Bonds	83.52	84.17	U.S. $ Strt. Bonds	12.921	12.795
Can. Dollar Bonds	87.23	86.73	Can. Dollar Bonds	12.868	12.966

WORLD STOCK MARKETS

Dow loses early fresh advance

AN INITIAL fresh improvement on Wall Street yesterday, following Monday's upsurge, failed to hold, and the market made a rather mixed showing after very heavy trading at mid-session.

The market benefited early in the session from a Prime Rate cut by Chase Manhattan Bank to 20½ per cent from 21½, following Wells Fargo's half-point reduction to 20½ the previous day.

However, investors were concerned that interest rates may not decline very far. Some economists still believe rates have not peaked. Analysts said the market was also hit by profit-taking after the strong gain of the past week.

The Dow Jones Industrial Average, which followed a last week's rise of 20 points with a jump of 21.6 on Monday, was 0.94 down at 957.85 at 1 pm, after touching 962.88 at 10.30 am. The NYSE All Common Index, 9 cents higher at 11 am, receded to $77.74 at 1 pm, 20 cents below the overnight level, although rises still outscored falls at mid-session by a three-to-two margin. The trading pace increased to 41.23m shares from Monday's 1 pm volume of 32.78m.

Many interest rate-sensitive issues stayed firm. Volume leader **Federal National Mortgage** gained ½ to $12½ and **Bankamerica** ¼ to $29½. **U.S. Home** added ¼ to $30½ and **National Homes** ¼ to $2¼.

Oils were mostly weaker. **Santa Fe International** lost $1 to $54¼ despite news that it has sold heavy oil properties in Kern County, California to Getty Oil for $35.8m. **Getty** receded 1¼ to $90¼. **Zapata** lost 1¼ to $72¼ and **Standard Oil (Indiana)** 2¼ to $82¼.

Westinghouse Electric eased ¼ to $29 and **Homestake Mining** ¼ to $75¼. They have settled a suit over uranium.

Drug stocks were mixed, as were Consumer Goods issues. **Eli Lilly** put on $1¼ to $61¼ and **Smithkline** $¾ to $79¾, but **Johnson and Johnson** dipped $¾ to $96¼. **Revlon** climbed $1 to $46¼, **Coca-Cola** $¼ to $33¼, **Pepsico** $¼ to $25¼, **Disney** $¼ to $50¼ and **Procter and Gamble** $¾ to $66¾, but **McDonald's** eased $¾ to $46 and **Avon Products** $¼ to $34¼.

THE AMERICAN SE Market Value Index was 2.12 easier on balance at 351.27 at 1 pm. Volume 3.70m shares (3.80m).

Closing prices for North America were not available for this edition.

Canada

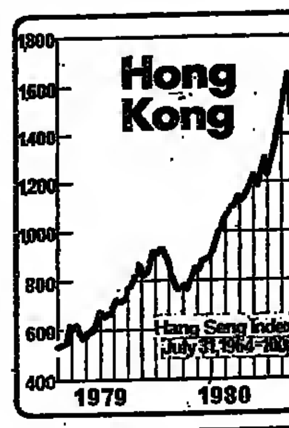
Shares mainly gained further ground in active dealings yesterday morning. The Toronto Composite index added 9.8 at 2,274.3 at mid-day.

Walker-Consumers, the most active issue in Toronto on 164,199 shares, put on ¼ to C$30¼. The company is to ask shareholders to approve a reorganisation to establish a holding company to own shares of its subsidiaries.

Hong Kong

The recent strong rally on the Hong Kong market gathered more pace yesterday, prices soaring in very active trading with sporadic profit-taking later in the day easily absorbed.

Spurring on stock prices was the half-point cut in Prime Rate to 20½ per cent announced on Monday by Wells Fargo, a major U.S. bank, which added weight to recent speculation that U.S. and local interest rates were on the verge of peaking.



The Hang Seng index jumped 86.81 to 1,446.18 for a recovery over the past three business days of 195 points. Turnover on the four exchanges swelled to HK$718.53m from Monday's HK$583.03m.

Reports that a local deposit-taking company had cut its one and three-month deposit rates by 1 per cent lent further support to local interest rate expectations.

China Light climbed HK$1 to HK$21, **Green Island Cement** HK$1 to HK$64, **Hang Seng Bank** HK$6 to HK$147, **Jardine Securities** HK$1 to HK$13.70, **Carrian Investments** 65 cents to HK$8.80 and **Far East Consortium** 55 cents to HK$6.40.

Tokyo

Shares were mainly easier after another moderate business on profit-taking and other liquidations ahead of the approaching week-long holiday at the year-end.

The Nikkei-Dow Jones Average shed 27.22 more to 7,023.57, while declines led advances on the First Market section by 408 to 222 following volume of 280m shares (260m).

Opening gains in Precision Instruments and Light Electricals, prompted by the strong overnight rise on Wall Street, were mostly pared by profit-taking. Steels, Oils, Coals and some speculatives declined on liquidation by major securities companies, but Foods and Heavy Electric Machines were generally firmer.

Pioneer Electronic lost Y50 to Y2,490 and **Victor Japan** Y20 to Y2,800, but **Sony** gained Y10 at Y3,250 and **TDK Electronics** Y20 at Y3,330. **Fuji Photo** held a rise of Y22 at Y920 and **Canon** closed Y8 up at Y904, but **Ricoh** receded Y8 to Y591 and **Olympus** Y20 to Y1,480.

Arabian Oil retreated Y50 to Y3,410, **Nippon Oil** Y20 to Y1,270, **Mitsui Mining** Y20 to Y799, **Nippon Mining** Y7 to Y310 and **Toray** Y4 to Y261.

Speculative demand lifted **Morinaga** Y21 to Y348 and **Calpis Food** Y38 to Y580.

Germany

Bourse prices displayed a firm bias after meeting some foreign buying as well as domestic support. The Commerzbank index edged up 2.1 to 682.8.

Banks were among domestic investors stocking up their portfolios for the year-end accounts, being attracted particularly by Motors. **BMW** advanced DM 5 to DM 154 and **Volkswagen** DM 4.30 to DM 158.30.

Among Engineerings, **Linde** rose DM 8 and **Babcock** DM 4.

Public Authority Loans rallied by up to 30 pfennigs and the Bundesbank sold a nominal DM 4.9m of paper, after purchases of DM 7.3m the previous day.

Australia

Activity generally remained at a low ebb yesterday on holiday influences, although shares closed firmer for choice, with the Energy sector and Golds providing the best gains.

Uranium issue **Pancontinental** climbed 60 cents more to A$11.40, while among Coal issues **Utah** advanced 15 cents to A$3.60 and **Oakbridge** 7 cents to A$2.50.

In the Oils group, **Oilmin** rose 20 cents to A$3.50, **Magellan** 30 cents to A$9.00, **Genoa** 5 cents to A$2.75, **Bridge** 30 cents to A$6.20 and **Santos** 10 cents to A$17.30.

Among Golds, **Central Norseman** improved 30 cents to A$9.40 and **Haoma** 20 cents to A$3.70.

On the takeover front **Dunlop Olympic** declined 7 cents to A$1.30 in sympathy with a fall in bidder **North BH** of 20 cents to A$3.95.

Johannesburg

Gold shares, after Monday's advance, tended to close firmer yesterday on some local support, but dealers said overseas interest was minimal.

NEW YORK

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO Composite

NEW YORK ACTIVE STOCKS

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

SWEDEN

GERMANY

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

SINGAPORE

HONG KONG

SOUTH AFRICA

JAPAN

BRAZIL

Financial Rand $U50.85¼ (Discount of 25%)

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices.

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975.

COMMODITIES AND AGRICULTURE

Aluminium industry to step up investment

BY ROY HODSON

ALCOA of the US is setting the pace for a new round of spending by the aluminium producers which will start next year, will continue for several years, and will be the biggest in the history of the industry. Most of the money will go to finance new plant in North America, Australia and Brazil.

Alcoa which is the biggest company in the U.S. market, said last night in Pittsburgh that its capital spending in 1981 will "be substantially higher" than this year's level of $630m.

Alcan of Canada intends to increase its spending from 1981 onwards at a faster rate than inflation and sustain the higher levels for several years. The group is not yet prepared to make an official forecast of the expected increase next year upon the $700m it has spent during 1980.

The year 1981 will be an expensive period for most of the leading aluminium companies as they produce new investment schemes to cope with the expected growth rate of between 4 per cent and 5 per cent in demand for aluminium during the 1980s.

Alcoa has not published detailed estimates of its 1981 spending. But, significantly, it is planning to increase outlay on research and development by 27 per cent to $71m next year. Alcoa already runs the biggest research and development department of any of the non-communist world aluminium producers.

Alcan has recently consolidated its position as the biggest producer of ingot metal with the start-up of production at the new Grande Baie smelter in Quebec. During the coming 12 months Alcan will be spending approximately $200m to complete the $425m project. The group is financing Grande Baie with internally generated income. It will also have to find capital for its new projects in Australia and Brazil.

Kaiser Aluminium of California, which is forecasting lower earnings in 1981, expects its capital spending in the year to be between $350m and $400m compared with $215m this year.

Mr. Cornell Maier, Kaiser's chairman, estimates that the group's capital expenditure will continue at higher-than-usual levels for several years to come. The extra spending will be needed, he says, if the group is to take full advantage of the opportunities that the 1980s will offer.

Kaiser's investment will be divided between new fabrication plants and energy-saving projects in the U.S. and new smelting in Australia. The biggest proportion of the money will be internally generated.

Alcoa is forecasting that non-Communist world aluminium shipments in 1981 will rise by 4 per cent. The International Primary Aluminium Institute reported in London yesterday that primary aluminium production was 1,052,000 tonnes in November against 1,006,000 tonnes in the same month a year ago.

Zambian copper output higher

LUSAKA — Zambia copper production in September totalled 50,957 tonnes compared with 46,900 tonnes in the same month last year. But it was down on the 53,278 tonnes produced in August.

Mines ministry figures published in the government gazette show total copper production for the first nine months of 1980 at 462,337 tonnes, up on the 436,200 tonnes production in the same period last year. Total production last year was 583,400 tonnes against 655,000 in 1978.

Cobalt production in September was 250 tonnes compared with 282 tonnes in August and 293 tonnes in September 1979, bringing the nine-month total to 2,262 tonnes against 2,389 last year.

Cobalt production last year totalled 3,270 tonnes, aginst 1,560 in 1978.

Copper industry sources said monthly shipments have remained fairly steady in the past few months at between 50,000 and 55,000 tonnes.
Reuter

SUGAR INDUSTRY
Hard times in the Caribbean

BY DAVID RENWICK IN TRINIDAD

AN INDUSTRY suffering from low labour productivity, lack of capital, poor management, at the mercy of natural disasters, disease and a capricious international marketing environment — accurately describes the sugar industry in the CARICOM (Caribbean Community and Common Market) region today.

None of the five exporting CARICOM territories which participate in the Lomé Convention's sugar protocol, with the sole exception of Barbados, has a sugar sector which is viable from a banker's point of view. All depend heavily on annual subsidies from the respective island treasuries.

Indeed, were it not for government ownership of sugar in such phases as Trinidad and Tobago, Guyana and Jamaica, the industry that is so tied up with Caribbean history and the region's colonial beginnings, would probably have closed down years ago.

As the 1980 crop draws to a close with a final production expected to be, at maximum, 873,767 tons, the question of the future of CARICOM sugar again presents itself as an important policy issue.

Output in 1980 will, at best, be 6,139 tons below last year's 879,906, which was itself 23,824 less than 1978. The 1978 figure, in turn, was 44,997 tons below that of 1977, which was as much as 163,861 tons down on 1976. It is an unfortunate tale of constantly declining production in the CARICOM sugar territories as a whole (the four already mentioned, and St. Kitts) and an ever-widening gap between costs and revenue.

The question is what, if anything, can be done about it? The short-term answer has been subsidisation and this most governments are doing; but the cost is heavy and deprives other and potentially more dynamic areas of the economy of badly-needed investment funds.

The medium- to long-term strategy is to rationalise slowly and try and keep social and economic disruption to a minimum.

When over 500,000 workers and their dependents in a region that is relatively poor by developed country standards need the income from a particular activity for their livelihood, the task is obviously not a simple one.

CARICOM governments have to be specially sensitive because of the political factor, since the industry is closely tied-in with rival party alignments, particularly in Guyana and Trinidad and Tobago.

In Guyana the People's Progressive Party (PPP) has traditionally drawn a large proportion of its support from the rural sugar work force.

In Trinidad and Tobago, where Dr. Eric Williams's People's National Movement (PNM) government will itself have to face the polls within 10 months, the situation is similar.

The opposition United Labour Front (ULF) party derives its strength almost exclusively from the sugar areas of central and south Trinidad. Indeed, so close is the association that in the island of Tobago, where sugar is not grown, the ULF has never bothered even to put up a candidate at general or local elections.

This probably explains why the plan to slim down the industry and convert it into an economic activity better able to stand on its own feet has proceeded so agonisingly slowly in Trinidad.

Although the plan, formulated two years ago by a committee of experts and adopted by the government, has received the tacit support of the All Trinidad Sugar Estates and General Workers Trade Union —led, significantly, by the same man, Basdeo Panday, who is the official ULF opposition leader in Parliament—little firm action appears to have been taken.

The rationalisation programme called for the reduction by at least 2,000 of the present direct field and factory labour force of 14,600 people, to be accompanied by a gradual asset-stripping operation to get rid of the older machinery and equipment in Trinidad's six factories and to close down some factories entirely.

The 100,000 acres now at the industry's disposal would be cut by 10,000 and the land turned over to growing food for domestic consumption, such as rice, vegetables and fruit, and the rearing of dairy and beef cattle.

The activities at the manufacturing end of the business were to be broadened considerably to include in addition to the traditional refined sugar and rum, the production of such items as syrups, vinegar, industrial chemicals and pharmaceuticals.

However, none of these things appear to have been done and there is little evidence that even a token start has been made on what is admittedly a difficult and delicate revamping operation.

This year's workforce required to reap the Trinidad crop and keep the factories running was virtually the same as last year, over 14,000 (and paid the highest wage rates of any CARICOM sugar worker, TT$55 a day); only one factory has been "stripped" (and its contents sold to the Government of St. Vincent, which is reviving its sugar industry for domestic purposes only) and that was on the verge of being closed by its owner, the Vestey Corporation, anyway; and no new products have been added to the distillation line.

As Mr. Yakub Khan, secretary of the Sugar Association of the Caribbean, and a member of the committee which prepared the proposals for restructuring the industry, notes anxiously: "It is true that for reasons of rural economics the sugar sector in Trinidad must be preserved but in the light of this year's disastrous crop, one would have thought the Government would regard the rationalisation programme with a little more urgency than it has so far displayed."

Good year ahead for NZ meat

BY DAI HAYWARD IN WELLINGTON

NEXT YEAR SHOULD see a big increase in New Zealand meat production—particularly for lamb. Agricultural predictions suggest lamb exports for the season ending next October will reach 380,000 tonnes compared with 359,000 tonnes last season and only 317,000 the year before.

The national sheep flock has increased substantially over the past year and a higher percentage of lambs are surviving. Together these will give a big boost to export and home lamb supplies.

Mutton production will also increase, and could exceed 100,000 tonnes for the first time in several years.

But beef production is likely to decline as farmers have turned from raising cattle to sheep.

The past season has been a particularly good one for the New Zealand meat industry. Industrial unrest was at a lower level than for many seasons and there was a more even flow of lambs and sheep through the killing works.

The country begins the new year in a favourable situation. Recent contracts to supply increased tonnages of lamb to Iran and to Iraq means that New Zealand sheep industry has sold 28 per cent of the season's expected lamb production before the season has even commenced. Prices agreed are attractive and these two factors create an unprecedented situation for the New Zealand meat industry.

The good prices obtained from the Middle East have countered depressed prices on the UK market.

The contract with Iran calls for shipments of 70,000 tonnes while that to Iraq will require 30,000. Both contracts provide for a 10 per cent increase if New Zealand has the export meat available and it looks certain that exporters will take advantage of this.

The fact that these two countries alone will take a quarter of New Zealand's total lamb exports stresses the importance of the Middle East to the New Zealand meat industry.

The outlook for mutton sales is also good. The Soviet Union has already contracted to buy 13,000 tonnes. If Russia takes the same quantity as she has for the last two years—and this early order for 13,000 tonnes reflects continued Soviet interest in buying NZ mutton—New Zealand should have little trouble selling its mutton kill. In 1980 export mutton shipments increased by 4,000 tonnes to 99,000.

Ten years ago most of New Zealand's mutton went to Japan. But over the past few years Japanese buying has declined. Over the past few weeks, however, the Japanese have shown more interest and prospects are for bigger sales to Japan in 1981.

The Middle East is also emerging as a worthwhile buyer of NZ mutton and optimists in the NZ meat industry hope that sales to the U.S. and other beef markets will hold up to a satisfactory level in 1981.

This hope has been boosted by signs of a recovery in the American market during October when prices for New Zealand beef rose by several cents. Total shipments were, however, 5 per cent down at the begining of October.

Beef exports to Canada were down by 16 per cent. However, beef stocks in North America were well below those of the previous year.

Mexico record grain harvest

MEXICO CITY—Mexico reported record grain and oilseed production this year of almost 23.5m tonnes compared with 18.2m in 1979, a Government agricultural department said.

Sergio Reyes Osorio, technical secretary of the Agriculture Ministry, said production this crop year, which comprises the two harvests in spring and autumn, will allow imports to be "considerably reduced," and they will decrease sharply next year.

Sr. Reyes Osorio said Mexico was forced this year to import 10.3m tonnes of grain worth almost $2bn—about twice the previous year's imports—because of an exceptionally bad harvest in 1979.

Experts said they hoped the imports, mostly from the U.S., will be cut to just over 6m tonnes next year. But fears were expressed that the Government was being very optimistic to expect imports to be cut by around 40 per cent.
Reuter.

Brazil signs Russian contracts

RIO DE JANEIRO—Brazil has signed a contract to supply the Soviet Union with a total of 1.6m tonnes of sugar for shipment between 1981 and 1985, Sr. Hugo De Almeida, President of the Brazilian Sugar and Alcohol Institute, revealed.

The contract, one of a number of medium and long term deals signed or under discussion, involves shipment of 250,000 tonnes in 1981, 400,000 tonnes a year in the following three years and 150,000 tonnes in 1985.

Brazilian policy is now to increase the amount of sugar exported under contracts of between three and five years and to sign contracts specifically with countries which are oil exporters, Sr. de Almeida said.

He said Brazil signed a contract with Venezuela through the state trading company, Interbras, to ship 200,000 tonnes of sugar per year over three years starting in 1981. The agreement followed a pledge from Venezuela in October to increase crude oil supplies to Brazil to 88,000 barrels per day from 53,000.

Brazil also signed a contract with several Middle East oil exporting countries to ship a total of 300,000 tonnes of sugar per year over three years. Sr. de Almeida declined to name the countries involved. Two other contracts, one for 150,000 tonnes per year and another for 100,000 annually, for three and four years, are in the final phase of negotiation with two oil exporting countries, he said.

The Institute president expected sugar exported under contracts to total around 40 per cent to 50 per cent of all Brazilian sugar exports in 1981, which he put between 2.7m and 2.8m tonnes (raw value) compared with 2.6m tonnes this year.

Brazil has decided to give more emphasis to medium and long term supply contracts because the average price received by the exporter tends to be higher on contract sales than on sales into the spot market.

Brazil is likely to produce in the 1980-81 crop year, beginning in June in the centre-south and September in the north and north-east, 8.3m to 8.4m tonnes of sugar (raw value) compared with 7.2m tonnes in the 1979-80 crop year, Sr. de Almeida said.

He predicted alcohol production in 1980-81 at 3.85bn to 3.90bn litres compared with 4.1bn originally foreseen in the crop plan, and attributed the lower output to delays implementing some projects.

Sugar export earnings in 1980 are likely to reach nearly $1.3bn sharply up on last year's $373m reflecting higher world prices.

Sr. de Almeida expected world sugar prices to remain "firm and high" in 1981, reflecting a 4m to 5m tonne shortfall in world production compared with consumption. The fall in prices of world commodities recently was largely due to high interest rates, he added. Reuter

BRITISH COMMODITY PRICES

BASE METALS

COPPER—Firmer on the London Metal Exchange as American buying and short covering lifted three months to £825 on the late kerb. Turnover 20,300 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	797-.5	-.75	802-4	+5.5
3 months	817-.5	+5	822.5-3	+6
Settlem't	797.5	—1	—	
Cathodes				
Cash	774-.5	+.5	780-2	+4.5
3 months	796-7	+7	802-3	+5.5
Settlem't	776	+1	—	.....
U.S. Prod			*82.91.25	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £797, 97.5. Three months £819, 19.5, 18, 17, 16, 17, 17.5. Cathodes cash £774. Three months £797. Kerb: Wirebars Three months £817, 17.5, 16, 19. Afternoon: Wirebars three months £823, 22.5, 22, 22.5, 24, 23.5, 23, 22.5. Cathodes three months £802. Kerb: Wirebars three months £822, 23.5, 24, 24.5, 25, 24.5.

TIN—Little changed in quiet trading which saw three months close the late kerb at £6,370. Turnover 970 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6230	—2	6230-40	—27.5
3 months	6360	—5	6360	—21
Settlem't	6232	—75	—	.....
Standard				
Cash	6230	—2	6230-40	—27.5
3 months	6360	—5	6360-3	—21
Settlem't	6232	—68	—	.....
Straits E.	£1931	+5	—	.....
New York	—	.....		

Morning: Standard cash £6,230, 35, 33, 30. Three months £6,360. Kerb: Standard three months £6,365. Afternoon: Standard three months £6,360.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	313-4	+.25	314-5	—1
3 months	325-.5	—	325-6	—2
S'ment	314	—.5	—	.....
U.S. Spot	—	.....	*58-45	.....

LEAD—Moved narrowly before closing the late kerb at £326. Turnover 5,900 tonnes.

Morning: Cash £313. Three months £326, 27, 26, 25.5, 25. Kerb: Three months £325.5. Afternoon: Three months £327, 26.5, 26. Kerb: Three months £325.5, 26.

ZINC—Marginally easier with forward metal moving in a £3 range prior to ending the day at £339.5. Turnover 6,400 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	337.5-8.5	+1	325-6	—1.5
3 months	340-1	+.25	334-.5	—.25
S'ment	338.5	+1	—	.....
Primw'ts	—	.....	*41.5	.....

Morning: Three months £340. Afternoon: Three months £340, 39, 39.5, 40. Kerb. Three months £339.5.

ALUMINIUM—Unchanged on balance after forward metal eased to £628 before rallying to close the late kerb at £633. Turnover 6,875 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	607-8	—7.5	609-10	—1.5
3 months	629-30	—6.25	651-2	+.75

Morning: Cash £607, 6. Three months £630, 29, 28, 29. Kerb: Three months £630. Afternoon: Three months £630, 29.5, 29, 30, 32. Kerb: Three months £633.

NICKEL—Firmer as forward metal gradually moved up from £2,680 to close the afternoon at £2,717.5. Turnover 158 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2590-700	[illegible]	2595-700	[illegible]
3 months	2700-5	[illegible]	[illegible]	[illegible]

Morning: Three months £2,700. Afternoon: Three months £2,710.
* Cents per pound. † On previous unofficial close.

CORAL INDEX: Close 465-470 (—4)

OIL INDEX
Oil Futures
Refined March '81 $42.87
Crude April '83 $42.10

PUBLIC NOTICES

City of Westminster London Borough Bills amounting to £1.45m were issued 16th December 1980 for maturity on 17th March 1981. Applications totalled £325½m. Minimum price of accepted tenders £96.69½ and 55.5% of the issue was accepted at this price. The average rate of discount was 13.2417%. No other bills were outstanding.

Kirklees Metropolitan Council: offered £3,500,000 Money Bills for issue on the 24th December, 1980, to mature 25th March, 1981. Tenders were received for £33,000,000 and all the Bills were allotted at 13⅝% nett Discount. The total amount of Bills outstanding is £7,500,000.

Hampshire Corporation Bills. £17,000,000 Bills issued 23 December 1980 at 13⅜% to mature 23 January 1981. Applications £61,000,000. Outstanding £52,000,000.

COFFEE

In line with expectations London opened £5 higher in light volume and mixed dealings, reports Drexel Burnham Lambert. A steady New York opening influenced further gains in the afternoon ...

AMERICAN MARKETS

NEW YORK, December 23.
PRECIOUS METALS and copper continued to respond on the upside to declining prime rates. The livestock complex sold off ahead of the major Government report and on a weaker demand in the cash. Wheat finished mixed while maize and soyabeans closed fractionally higher on extremely light trading. Profit taking moved sugar prices moderately lower. ...

Live Hogs—Feb. 51.65-51.50 (51.92), April 53.60-53.95 (54.30), June 58.85-58.00, July 59.20-59.05, August 59.00, 58.55, Oct. 57.15, Dec. 58.85, Feb. 61.50, April 61.50.

EUROPEAN MARKETS

... Wheat—U.S. Two Dark Hard Winter 13.5 per cent Jan. $235, Feb. $235, March $236.50. U.S. No. Two Red Winter Jan. $225, Feb. $225, March $225. U.S. No. Two Northern Spring 14 per cent Jan. $239, Feb. $242, March $244, April/May $224.50, June $227, July $229.

Maize—Spot $177, afl $176, Dec. $176, Jan./March $182.75, April/June $197, July/Sept. $184.50, Oct./Dec. $176, Jan./March $188.

Soyabeans—U.S. Two Yellow Gulfports afl $319.75, Dec. $318.75, Jan. $324.75, Feb. $334, March $339, April ... $343.75, Oct $331.75, Nov. $331.75, Dec. $339 sellers. Soyameal—44 per cent protein U.S. afl $285, Dec. $287, Jan. $290, Feb. $296.50, March $305, April/Sept. $318, Nov./March $306. Brazil Pellets afl $295, Dec. $296, Jan. $305, Feb. $308, April/Sept. $328 sellers.

PARIS, December 23
Sugar (FFr per tonne)—March 3550/3555, May 3525/3545, July 3500/3540, Aug. 3470/3520, Oct. 3250/3280, Nov. unquoted, Dec. 3130/3180, March 3060/3150. Sales at call: 4.

INDICES

FINANCIAL TIMES

Dec. 22	Dec. 19	Month ago	Year ago
262.78	258.43	269.45	298.60

(Base: July 1, 1952=100)

MOODY'S

Dec. 22	Dec. 19	Month ago	Year ago
1232.8	1227.0	1523.5	1255.1

(December 31, 1931=100)

DOW JONES

Dow Jones	Dec. 22	Dec. 19	Month ago	Year ago
Spot	442.68	440.46	472.68	422.44
Fut'rs	463.77	459.99	501.54	427.40

(Average 1924-25-26=100)

REUTERS

Dec. 23	Dec. 22	M'nth ago	Year ago
1731.5	1728.8	1751.2	—

(Base: September 18, 1931=100)

LONDON STOCK EXCHANGE

Equity leaders harden late in pre-Christmas trade
Gilt-edged securities consolidate recent good gains

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Dec. 8	Dec. 22	Dec. 23	Jan. 5
Dec. 24	Jan. 8	Jan. 9	Jan. 19
Jan. 12	Jan. 22	Jan. 23	Feb. 2

* "New time" dealings may take place from 9 am two business days earlier.

A few scattered features emerged in thin trading on London stock markets as holiday influences strengthened yesterday. Sterling continued to benefit from a weaker dollar, but incentive in the Gilt-edged market was checked ahead of the four-day break and by the Bank of England's tactic of creating £300m of additional stocks to ease the recent upward pressure on the market in the absence of a conventional tap.

South African Gold shares improved marginally helped by another rise in the bullion price. Oils were better in places. Discount Houses moved higher in sympathy with the recent good rally in gilts and Stores occasionally picked up some lost ground as hopes revived of a last-minute Christmas shopping rush.

Elsewhere in industrials, however, quotations moved within narrow irregular limits with interest centred on a few special situations and company trading statements. The latter again mostly resulted in prices moving against holders. Leading shares flattered at the opening with a majority of small gains, but a 1.7 rise in the FT Industrial Ordinary share index was whittled away to a mere 0.1 at 2 pm after which a resumption of the early firmer trend developed and left this measure of the market 2.1 up at 466.7.

F.C. Finance down

Among index constituents, ICI dropped 6 to 320p on the group's reduced stake in the North Sea Ninian Field, but Guest Keen stood out with a rise of 7 to 141p on its deal with the Australian Brambles Industries to jointly acquire Redland Purle for £20m. News of the breakdown in the Acas talks aimed at solving the dispute at BL's Longbridge plant and the recommendation to make the stoppage official came too late to affect sentiment.

Renewed selective interest in Southern Rhodesian bonds lifted 3½ per cent 1980/85 assented 3 points to £47 and Zimbabwe points to £47 and Zimbabwe Settlement Annuities 4 points more to the highest level yet of £332.

Imperial attracted a good business in Traded options reflecting an active trade in the underlying shares: strong interest shown in the February 80's which recorded 300 deals out of 365. Total contracts amounted to 847, slightly above Monday's 741.

F.C. Finance became a late dull feature in a lethargic banking sector, falling 11 to 106p on the announcement that the Co-operative Bank's cash offer of 110p per share will not be increased. Elsewhere, Discounts improved in places with rises of 9 and 10 respectively seen in Gerrard and National, 285p, and Seccombe Marshall and Campion, 250p. Cater Ryder hardened a few pence to 353p. Still reflecting Far-Eastern influences, Hong Kong and Shanghai added 10 afresh to 173p. Home banks rallied in thin trading. Midland, at 340p, retrieved half of the previous day's fall of 8, while Lloyds hardened 2 to 330p as did Natwest, to 380p.

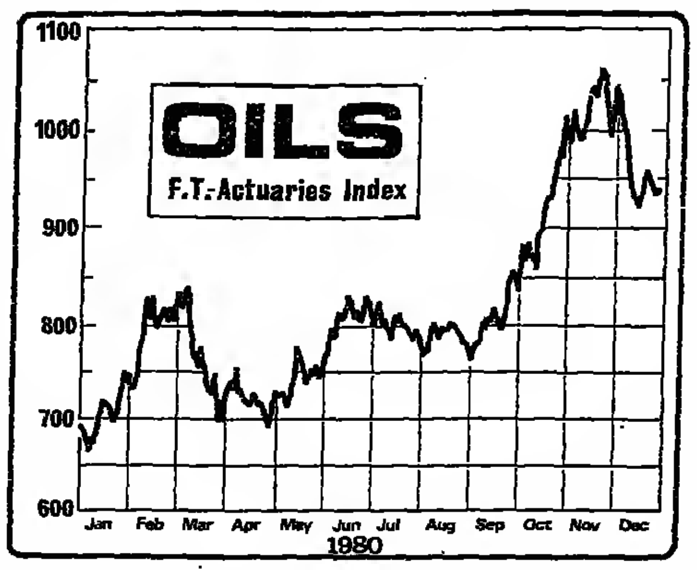
The undertone in leading Buildings was distinctly firm. Redland added 4 to 162p on the £20m sale of Redland Purle to a joint company formed by GKN and Brambles Industries of Australia. Blue Circle were supported and rose 6 to 336p, while London Brick hardened a penny to 63p. In contrast, Timber issues lacked support. Phoenix, the subject of considerable speculative interest lately, slipped to 105p before closing 2 off at 106p following the chairman's dismissal of bid suggestions. International and Magnet Southerns both softened 2, to 67p and 110p respectively, while Montague L. Meyer lost the turn at 65p. Elsewhere, plastics concern E. Elliott shed 3 to 19p on the interim pre-tax loss and dividend omission.

News that the company's Ninian Field interest had been reduced by approximately 2 per cent clipped 6 from ICI, 320p. Fisons closed a penny off at 196p, after 198p, following the agreed agrochemical deal with Boots, unchanged at 236p. International Paint attracted late interest and added 4 to 74p, but Novo Industries B, a rising market of late on a broker's seminar, shed 2 points to £46½.

Cornell dip and rally

Leading Stores displayed a slightly firmer bias following reports of a last-minute spending spree. Gussies A were outstanding at 465p, up 10, while UDS added a couple of pence to 74p. Among secondary issues, Cornell Dresses were again volatile on further reflection of the offer document from Polly Peck. After opening sharply lower at 46p, Cornell rallied to 60p before closing a net penny in the good at 58p. Polly Peck fell 8 to 135p, after 130p, while Wearwell, the third of Mr. Asil Nadir's companies shed 3 to 60p. Profit-taking clipped 3 from Peters Stores, 90p, while Forminster eased 2 to 116p following the slightly reduced interim earnings. Dealings in Ben Williams were suspended at 32p pending details of a possible acquisition; the company also revealed a mid-term loss.

The majority of movements in the Electrical sector were limited to a few pence either way. AB Electronic continued to meet offerings and eased 4 more to 105p. STC gave up 7 to 438p and Muirhead a few pence to 82p. On the other hand, occasional support left Chloride 2 better at 42p, while Air Call hardened 3 to 178p.



Euro. Ferries dull

Interest in the Engineering leaders was enlivened by a rise of 7 to 141p in GKN following news of the company's joint deal with Brambles Industries of Australia to acquire Redland. Elsewhere, Evered featured late at 21p, up 5, in response to the bid of 22p cash from Francis Industries which closed a penny firmer at 51p. Stothert and Pitt edged up 3 to 110p, while smaller-priced issues to make headway included Birmid Qualcast, a penny harder at 21½p, and Christy Bros. 2 to the good at 30p. In contrast, further consideration of the half-yearly results left Brasway a penny cheaper at 28p, while Cronite eased a similar amount to 22p on the annual loss and reduced dividend.

With the notable exception of J. Sainsbury, up 8 to a 1980 peak of 345p on late support, leading Foods closed narrowly mixed.

Of the quietly firm miscellaneous industrial leaders, BOC continued to reflect the recent better-than-expected preliminary figures with an improvement of 2 to a 1980 high of 100p. Bowater met scattered investment support and rose 4 to 184p, while Pilkington hardened 2 to 255p as did Reckitt and Colman, to 184p. Elsewhere, European Ferries were sold down to 144p before closing a net 5 lower at 147p following the chairman's profits warning and the revelation that eight ships are being laid up. Celestion fell 3½ to 19p on the increased first-half loss, while Philip Harris shed a like amount to 52p on disappointing interim earnings. ICL remained friendless at 66p, down 3, but a resurgence of speculative interest prompted a gain of 4 to 72p in E. Fogarty. Hoover A hardened a couple of pence to 110p and Feedex put on 3 to 42p. Comment on the satisfactory mid-term results helped Initial Services put on 5 for a two-day gain of 10 at 206p. Far-eastern influences brought about a fresh rise of 9 in Jardine Matheson to 204p and an improvement of 3 to 143p in Hutchison Whampoa.

Small speculative buying in a market none-too-well supplied with stock lifted Associated Leisure 6 to 122p. Norton and Wright, a particularly dull market last Friday on poor results, rallied 3 for a two-day gain of 5 to 48p.

Among Paper/Printings, Melody Mills remained unsettled by last week's interim loss and omitted dividend and gave up 6 more to 24p. Inveresk also turned dull and closed 2 cheaper at 24p.

Firmer at first in thin trading, leading Properties drifted off as interest faded and closed little changed on balance. Land Securities ended a penny harder at 357p after 359p, while MEPC reverted to the overnight level of 218p, after 220p. A certain amount of interest was shown in Capital and Counties which improved a couple of pence to 109p, but Laing A, 177p, and Rush and Tompkins, 194p, both shed 4 on lack of support. Hong Kong Land put on 8 for a two-day gain of 21 to 189p on Far-Eastern advices.

Lasmo advance late

News of the increase in its participating interest in the Ninian oil field prompted a late advance in Lasmo which rallied from around 720p to close at 751p for a net gain of 19 on the day. BP, which also benefits from the revised participation agreement, closed a few pence firmer at 428p, while Ranger ended 10 to the good at 840p. Tricentrol firmed 8 to 324p and buyers also showed interest in Carless Capel, 8 higher at 191p and KCA which moved ahead 13 to 181p. On the other hand, Clyde turned dull at 755p, down 15, while scattered offerings left NCC Energy 4 cheaper at 76p.

Trusts trended firmer, Berry improving 4 to 145p and Aberdeen 3 to 175p. Colonial Securities, at 335p, gave up 15 of the previous day's rise of 25 which followed news of the proposed scheme aimed at reducing the discount to net asset value. Among Financials, M and G Group were good at 242p, up 40p, on the good annual results and 500 per cent increase in dividend payment. Mercantile House firmed 5 to 475p on acquisition news, while English Association improved 20 to 335p in a restricted market.

Textiles ended with small gains where altered. British Mohair Spinners firmed 2 to 31p, while second thoughts over the interim loss lifted Sekers International a penny to 30p.

Imperial encountered a relatively active two-way business before closing a fraction down at 70½p.

Plantations drifted easier in a subdued trade. Profit-taking clipped 20 from recent speculative favourite Castlefield (Klang) at 450p.

Golds firmer

South African golds continued to edge higher as the bullion price moved up $9 to $604.50 an ounce. The Gold Mines index put on 1.2 more to 442.6.

Among the heavyweights, Winkelhaak and Vaal Reefs both closed ½ firmer at £40½ and £15½ respectively while Western Deep added ½ to £29½ and Southvaal ½ to £18½.

Financials were barely changed after light trading. Charter dipped ½ to 217p. South African Financials were well supported throughout the day. De Beers rose 10 to 428p and Anglo American 5 to 730p.

Australians were mixed. Golds showed North Kalgurli 7 to the good at 83p and Poseidon 3 firmer at 298p.

The Strata shareholders Haoma and North West Mining attracted strong support and closed 10 and 7 firmer at 184p and 192p respectively.

In the speculative Australians, Hill 50 Gold jumped 5 to 43p, but losses of 2 were common to Lennard Oil, 50p, and Otter Exploration, 68p.

In Tins, Geevor rallied well and closed 8 firmer at 143p but Sungei Besi met selling and closed 10 cheaper at 230p.

FINANCIAL TIMES STOCK INDICES

	Dec. 23	Dec. 22	Dec. 19	Dec. 18	Dec. 17	Dec. 16	A year ago
Government Secs.	68.99	69.05	68.98	68.03	67.83	68.11	65.48
Fixed Interest	70.74	70.39	70.07	69.91	69.96	70.10	66.08
Industrial Ord.	466.7	464.6	466.5	466.5	460.5	469.9	417.9
Gold Mines	442.0	441.4	429.0	435.1	435.8	424.1	268.2
Ord. Div. Yield	7.63	7.65	7.63	7.64	7.53	7.07	7.79
Earnings, Yld. % (full)	17.06	17.11	17.05	17.24	17.12	16.99	10.38
P/E Ratio (net) (*)	7.19	7.17	7.19	7.14	7.19	7.21	6.55
Total Bargains	16,170	16,070	18,210	16,218	18,985	18,167	6,026
Equity turnover £m.	—	89.08	99.00	105.47	115.20	122.32	26.17
Equity bargains total	—	11,897	10,870	11,075	12,692	13,682	4,621

10 am 466.2. 11 am 465.3. Noon 464.8. 1 pm 464.7. 2 pm 464.7. 3 pm 465.2.

Latest Index 01-248 8026.

*Nil = 6.64.

Basis 100 Govt. Secs 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	72.54 (21/7)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	515.9 (21/11)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	558.9 (22/9)	265.5 (18/3)	658.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 23	Dec. 22
Daily		
Gilt Edged	98.4	93.7
Industrials	72.5	66.5
Speculative	32.8	34.7
Totals	53.3	49.0
5-day Avrge.		
Gilt Edged	93.4	94.2
Industrials	67.2	67.4
Speculative	29.3	32.2
Totals	50.2	50.3

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (24)

BRITISH FUNDS (2)
Excher 3pc '83 A; Excher. 11¼pc 1986

COM'WEALTH & AFRICAN LOANS (3)
Aust 5½pc '81-82; S. Rhodesia 4½pc '87-92 Assented; S. Rhodesia 3½pc '80-85 Assented

FOREIGN BONDS (1)
Japan 6pc '83-88

BEERS (2)
Greenall Whitley; Marston

FOODS (1)
Sainsbury (J.)

INDUSTRIALS (5)
BOC Intl.; Monsanto 5pc '82-86; Cover Croft; Smith & Nephew; Initial Services

PAPER (1)
Brunning Group

PROPERTY (1)
Trust Sec.

SOUTH AFRICANS (1)
Unisec

TEXTILES (1)
Allied Textile

TRUSTS (4)
Berry Trust; West Coast & Texas; G.T. Japan; M & G Holdings

OVERSEAS TRADERS (1)
Boustead

MINES (1)
Nickelore

NEW LOWS (20)

AMERICANS (1)
Chrysler

CANADIANS (1)
Can. Pacific 4pc Deb.

BEERS (1)
Tomatin

STORES (2)
Aquascutum A; Raybeck

ELECTRICALS (1)
A.B. Electronic

ENGINEERING (1)
Wood (S. W.)

FOODS (1)
Assoc. Biscuit

INDUSTRIALS (4)
Harris (Ph.); Meyer Group; IC... [illegible]; UKA Intl.

MOTORS (2)
ERF; Dorlight

NEWSPAPERS (2)
Inc. Thomson [illegible]; Thomson Corp.

PAPER (1)
Melody Mills

TOBACCOS (1)
Imperial

MINES (1)
West Driefontein

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	10	7	14
Corpns., Dom. and Foreign Bonds	2	2	23
Industrials	167	176	1,032
Financial and Prop.	116	52	333
Oils	16	14	33
Plantations	3	6	15
Mines	28	65	75
Others	50	56	58
Totals	418	362	1,670

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Tues., Dec. 23, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon., Dec. 22 Index No.	Fri., Dec. 19 Index No.	Thurs., Dec. 18 Index No.	Wed., Dec. 17 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (170)	282.54	—	15.61	5.84	7.86	282.56	283.07	283.10	284.56	213.38
2	Building Materials (27)	239.37	+0.2	19.41	7.21	6.14	238.80	239.41	239.74	242.16	198.12
3	Contracting, Construction (26)	396.96	—	22.98	6.39	5.22	396.79	397.88	399.52	400.81	325.28
4	Electricals (17)	939.60	−0.3	10.41	2.89	11.93	942.60	942.75	936.37	936.67	548.38
5	Engineering Contractors (11)	395.84	−0.5	15.38	6.54	8.32	397.63	398.05	395.13	398.24	290.65
6	Mechanical Engineering (73)	170.93	—	17.35	7.70	7.16	170.86	171.41	171.98	172.11	149.32
8	Metals and Metal Forming (16)	133.95	+1.1	21.59	11.85	5.73	132.53	133.05	136.28	138.86	146.87
11	CONSUMER GOODS (DURABLE) (46)	230.13	−0.3	13.54	5.27	8.68	230.73	230.34	231.18	231.59	191.89
12	Lt. Electronics, Radio, TV (14)	357.00	−0.4	10.52	3.99	11.63	358.48	359.14	361.54	361.57	258.89
13	Household Goods (13)	83.71	+0.3	26.22	9.45	4.80	83.44	83.39	82.64	82.85	116.72
14	Motors and Distributors (21)	92.16	+0.2	22.21	9.16	5.21	91.99	90.61	90.12	90.85	103.86
21	CONSUMER GOODS (NON DURABLES) (172)	234.60	+0.2	16.91	6.83	7.20	234.09	236.60	236.67	237.25	204.48
22	Breweries (14)	263.00	+0.2	15.94	6.97	7.61	262.39	263.86	263.77	263.09	252.84
23	Wines and Spirits (5)	271.43	+0.9	22.74	7.57	5.16	269.06	270.55	266.69	267.98	298.25
24	Entertainment, Catering (16)	344.50	—	16.75	6.42	7.34	344.21	344.40	346.06	349.60	272.72
25	Food Manufacturing (23)	209.51	−0.6	18.82	7.52	6.32	210.70	211.32	211.77	212.27	190.95
26	Food Retailing (14)	448.02	+0.7	10.46	3.46	11.31	444.75	444.43	442.08	443.97	292.96
32	Newspapers, Publishing (12)	423.95	−0.1	23.02	6.92	5.68	424.34	427.34	427.82	426.14	380.66
33	Packaging and Paper (15)	112.44	+0.9	28.72	10.84	4.03	111.39	112.93	113.25	113.19	116.88
34	Stores (44)	242.80	+0.8	12.29	5.16	10.65	240.93	246.57	246.11	246.10	191.33
35	Textiles (21)	122.35	+0.2	20.83	10.87	6.23	122.09	123.45	123.37	123.66	126.14
36	Tobaccos (3)	193.69	−1.5	29.63	12.02	3.84	196.66	198.15	201.21	203.68	282.42
37	Toys and Games (5)	22.99	−0.8	—	5.88	—	23.17	23.03	23.03	23.03	47.10
41	OTHER GROUPS (98)	217.30	−0.2	16.23	7.30	7.35	217.84	218.23	217.16	216.70	187.01
42	Chemicals (15)	293.38	−0.9	18.01	8.32	6.50	295.98	298.52	295.97	292.57	278.59
43	Pharmaceutical Products (7)	254.73	+0.5	10.41	5.60	11.43	253.47	252.20	249.65	248.89	194.12
44	Office Equipment (6)	100.84	−0.4	20.39	8.25	5.74	101.29	102.29	102.45	103.33	103.12
45	Shipping (10)	536.89	−1.2	13.69	6.79	8.92	543.33	544.54	544.06	550.33	413.31
46	Miscellaneous (60)	263.41	+0.2	17.79	7.27	6.86	262.95	262.30	262.29	263.15	218.75
49	INDUSTRIAL GROUP (488)	249.58	—	16.16	6.55	7.51	249.54	250.87	250.70	251.24	208.08
51	Oils (12)	937.66	+0.4	25.61	5.61	4.35	934.32	942.42	946.14	955.05	689.14
59	500 SHARE INDEX	303.95	+0.1	18.43	6.32	6.39	303.65	305.52	305.65	306.85	246.12
61	FINANCIAL GROUP (118)	230.59	+0.3	—	5.76	—	229.86	231.59	231.76	232.03	181.87
62	Banks (6)	244.53	+0.6	41.84	6.98	2.86	243.13	246.05	248.10	247.23	220.06
63	Discount Houses (10)	284.15	+0.8	—	6.05	—	281.81	282.81	280.76	281.92	217.80
64	Hire Purchase (5)	196.24	−0.9	12.39	5.33	10.89	197.97	198.03	197.36	200.44	166.21
65	Insurance (Life) (10)	227.49	+0.4	—	5.80	—	226.60	229.19	230.57	230.29	155.09
66	Insurance (Composite) (9)	143.84	+0.2	—	8.01	—	143.59	145.55	145.48	145.20	121.25
67	Insurance Brokers (9)	315.59	+0.8	14.60	7.34	9.38	313.11	315.02	317.42	329.82	266.86
68	Merchant Banks (13)	143.51	+0.1	—	5.39	—	143.31	143.02	142.59	143.67	89.96
69	Property (45)	436.58	+0.1	3.37	2.81	41.29	436.28	437.13	433.77	433.98	316.72
70	Miscellaneous (11)	164.47	+0.8	16.45	5.90	7.72	163.20	163.32	163.22	163.32	119.78
71	Investment Trusts (109)	282.69	+0.4	—	5.33	—	281.56	281.52	279.34	279.31	191.75
81	Mining Finance (3)	229.67	—	14.28	5.84	8.34	229.67	229.96	230.30	230.34	158.19
91	Overseas Traders (20)	423.36	−0.4	11.94	6.94	10.16	424.95	428.01	423.01	422.48	333.27
99	ALL-SHARE INDEX (750)	289.16	+0.1	—	6.16	—	288.75	290.45	290.37	291.23	229.39

FIXED INTEREST PRICE INDICES

	British Government	Tues., Dec. 23	Day's change %	Mon., Dec. 22	xd adj. today	xd adj. 1980 to date
1	Under 5 years	107.16	+0.03	107.14	—	10.19
2	5-15 years	109.48	+0.02	109.46	—	13.18
3	Over 15 years	114.29	−0.00	114.29	—	14.84
4	Irredeemables	127.61	+0.12	127.45	—	13.54
5	All stocks	110.05	+0.02	110.03	—	12.63

FIXED INTEREST YIELDS

	British Govt. Av. Gross Red.		Tues., Dec. 23	Mon., Dec. 22	Year ago (approx.)
1	Low Coupons	5 years	11.90	11.92	12.69
2		15 years	11.90	11.92	12.71
3		25 years	11.90	11.92	12.72
4	Medium Coupons	5 years	13.41	13.40	14.53
5		15 years	13.73	13.73	14.33
6		25 years	13.38	13.38	14.15
7	High Coupons	5 years	13.43	13.40	14.74
8		15 years	13.93	13.93	14.80
9		25 years	13.59	13.59	14.54
10	Irredeemables		11.54	11.55	12.15

		Tues., Dec. 23 Index No.	Tues., Dec. 23 Yield %	Mon. Dec. 22	Friday Dec. 19	Thurs. Dec. 18	Wed. Dec. 17	Tues. Dec. 16	Mon. Dec. 15	Friday Dec. 12	Year ago (approx)
15	20-yr. Red. Deb. & Loans (15)	52.93	13.99	52.89	52.88	52.07	52.88	52.93	58.88	53.32	49.35
16	Investment Trust Prefs. (15)	51.35	15.13	51.35	52.00	52.00	52.00	52.00	52.32	52.32	40.21
17	Coml. and Indl. Prefs. (20)	67.63	15.31	67.63	67.76	67.03	67.63	67.10	66.97	66.97	61.19

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
European Ferries	25p	7	147	−5	192	98
GEC	25p	7	595	—	618	326
GKN	£1	7	141	+7	279	132
LASMO	25p	7	751	+19	855	337
Premier Cons.	5p	7	108	—	127	36
Burmah Oil	£1	6	190	+3	249	162
Bowater	£1	5	184	+4	214	141
Davy Corp.	25p	5	169	—	173	76
Dowty Group	50p	5	200	+2	259	148
Dunlop	50p	5	69	—	85	51
GUS A	25p	5	465	+10	498	340
ICL	25p	5	66	−3	188	66
ICI	£1	5	320	−6	402	314
KCA Intl.	25p	5	181	+13	193	28
Racal Electronics	25p	5	328	—	370	175

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Jan. 5	Jan. 16	Apr. 8	Apr. 21
Jan. 19	Jan. 30	Apr. 29	May 11
Feb. 2	Feb. 13	May 14	May 26

For rate indications see end of Share Information Service

Options were reasonably active. Calls were taken out in GEC, Woodside, Chloride, Metal Box, Charter Cons., ICL, Burmah Oil, Hambros Bank, Hongkong and Shanghai Banking, Gerrard and National Discount, Lonrho, Coals Patons, William Press, FNFC, Howard Tenens, Suter Deferred, Illingworth Morris A, Town and City Properties, Westminster Properties, Polly Peck, Premier Oil and Raglan Property. A put was transacted in ERF, while doubles were arranged in Westward TV and Howard Tenens.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
58	F.P.	[illegible]	[illegible]	[illegible]	Amor. Comm. Inds.	[illegible]					
$100	F.P.	[illegible]	[illegible]	[illegible]	Notos 20p	[illegible]					
610	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]					
303	F.P.	[illegible]	[illegible]	[illegible]	Dunbar Group £1	[illegible]					
$120	F.P.	[illegible]	[illegible]	[illegible]	Hadland J.	[illegible]					
107½	F.P.	[illegible]	[illegible]	[illegible]	Independent Inv. 25p	[illegible]					
116	F.P.	[illegible]	[illegible]	[illegible]	Intervision Ptd. 10p	[illegible]					
70	F.P.	[illegible]	[illegible]	[illegible]	Midland Marts.	[illegible]					
100	F.P.	[illegible]	[illegible]	[illegible]	New Tokyo Inv. Tst. 50p	[illegible]					
50	F.P.	[illegible]	[illegible]	[illegible]	Pennine	[illegible]					
125	F.P.	[illegible]	[illegible]	[illegible]	Phoenix Mining 25p	[illegible]					
1135	F.P.	[illegible]	[illegible]	[illegible]	Scan Data	[illegible]					
148	F.P.	[illegible]	[illegible]	[illegible]	Thames Inv. & Secs.	[illegible]					

FIXED INTEREST STOCKS

Issue price	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Bell (Arthur) 9% Cnv. Uns. Ln.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Chester Waterworks 9% Red. Pref. 1985	[illegible]	
100p	F.P.	[illegible]	[illegible]	[illegible]	Combes 11.575% Cum. Red. Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	East Anglian Water 9% Red. Pref. 1985	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	East Worcester 9% Red. Pref. 1985	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Energy Finance 6% Cnv. Uns. Ln.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Essex Waterworks 9% Red. Pref. 1985	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Intervision 7% Cnv. Pref.	[illegible]	
1100p	F.P.	[illegible]	[illegible]	[illegible]	Lon. Merchant Secs. 7½% Cnv. Uns. Ln.	[illegible]	
£100	F.P.	[illegible]	[illegible]	[illegible]	Mid Sussex Water 9% Red. Deb. 1986-88	[illegible]	
99	F.P.	[illegible]	[illegible]	[illegible]	S. Rhodesia 4½% 87-92 Assd.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Standard Industrial 11½% Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Town Centre Secs. 9% Cnv. Uns. Ln.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Westland Inv. 12% Uns. Deb. 1986-95	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. Options	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Zimbabwe settlement annuity Reg.	[illegible]	

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −
50	Nil	[illegible]	[illegible]	[illegible]	Bremar Trust	[illegible]	
115	Nil	[illegible]	[illegible]	[illegible]	Brotherhood P.	[illegible]	
75	F.P.	[illegible]	[illegible]	[illegible]	Midland Allied Press A	[illegible]	
A$1.5	F.P.	[illegible]	[illegible]	[illegible]	ElderSmith Goldsbrough	[illegible]	
5	F.P.	[illegible]	[illegible]	[illegible]	Crowboil	[illegible]	
210	F.P.	[illegible]	[illegible]	[illegible]	Hampton Gold Mining	[illegible]	
140	F.P.	[illegible]	[illegible]	[illegible]	KCA Intnl.	[illegible]	
25	F.P.	[illegible]	[illegible]	[illegible]	Kean & Scott	[illegible]	
25	F.P.	[illegible]	[illegible]	[illegible]	L. Kindustrial	[illegible]	
$A1.05	F.P.	[illegible]	[illegible]	[illegible]	North Kalgurli Mines	[illegible]	
A$0.50	Nil	[illegible]	[illegible]	[illegible]	Perillo Creek	[illegible]	
87	F.P.	[illegible]	[illegible]	[illegible]	Pritchard Services	[illegible]	
78	F.P.	[illegible]	[illegible]	[illegible]	Scaps	[illegible]	
60	Nil	[illegible]	[illegible]	[illegible]	Security Centres	[illegible]	
24¼	Nil	[illegible]	[illegible]	[illegible]	Southern TNT	[illegible]	
50p	F.P.	[illegible]	[illegible]	[illegible]	Viking Resources	[illegible]	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. [illegible] dividend; cover based on previous year's earnings. [illegible] on prospectus or other official estimates [illegible]. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. [illegible] indicated. [illegible] "rights." [illegible] connection with [illegible] former preference holders. [illegible] partly-paid allotment letters. [illegible] ‡ Unlisted Securities Market. [illegible] settlement scheme. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Frankfurt Trust Investment—GmbH
Neue Mainzer Strasse 74-76, D-6000 Frankfurt
FT-Interzins [illegible]
Frankf. Effekt. Fd. [illegible]

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.
NAV Nov. 28 US$152.93 —

G.T. Management Ltd.
Park Hse., 16 Finsbury Circus, London EC2
Tel: 01-628 8131. TLX: 886100
London Agents for:
Anchor 'B' Units; Anchor Gilt Edge; Anchor Intl. Fd.; Anchor In. Jsy. Tst.; Berry Pac Fd.; Berry Pac Strlg.; G.T. Asia Fd.; G.T. Asia Sterling; G.T. Australia Fd.; G.T. Bond Fund; G.T. Dollar Fd.; G.T. Dir. (Strlg.) Fd.; G.T. Invest. Fd.; G.T. Japan Small Cos.; Morlanne (STG) Fd.; G.T. Technology Fd.; G.T. Pacific Fd.; G.T. Asean Growth Fd. [prices illegible]

Gartmore Invest. Ltd. Ldn. Agts.
2 St. Mary Axe, London, EC3. 01-283 3531
Gartmore Fund Managers (C.I.) Ltd. (a) (h)
41, Broad St., St. Helier, Jersey. 0534-73741
Gartmore Fund Managers (Far East) Ltd. (a)(h)
1503 Hutchison Hse., 10 Harcourt Rd., H. Kong
Australian Tst.; HK & Pac. U. Tst.; Japan Fd.; N. American Tst.; Intl. Bond Fund [prices illegible]
Gartmore Fund Managers (IoM) (a)
P.O. Box 32, Douglas, IoM. 0624 23911
Gartmore Intl. Inc.; Gartmore Intl. Grth. [prices illegible]

Assicurazioni GENERALI S.p.A.
P.O. Box 132, St. Peter Port, Guernsey, C.I.
Sterling Managed Fd. £100.00

Guinness Mahon Fd. Mgrs. (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a) (z)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	59.7	64.2	+0.3	2.26
Abbey Capital	43.5	47.0	+0.1	5.21
Abbey General	54.0	58.4	+0.1	5.27
Abbey Gilt & F.I. Tst.	105.4	110.9	.....	11.81
Abbey Income	32.2	34.8	+0.1	10.09
Abbey W'Wide Bd Tst.	92.5	97.7	.....	6.86
Abbey Inv. Tst. Fd.	48.4	52.3	+0.1	4.86
Equitas Prog. Tst.	79.1	85.5	-0.9	5.04

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314

AHR Gilt Trust	89.3	94.0	+0.1	12.77

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	84.6	90.5	.....	6.38
Brit. Inds. Fund	73.2	78.3	-0.1	4.82
Growth & Income	48.4	51.8	+0.1	5.37
Elect. & Ind. Dev.	42.1	45.0	.....	5.56
Allied Capital	90.7	97.0	+0.4	4.12
Hambro Fund	124.9	133.6	-0.2	6.47
Hambro Acc. Fund	172.9	185.0	+0.2	4.92

Income Funds

High Yield Fd.	61.5	65.8	-0.2	9.50
High Income	74.2	79.5	-0.2	8.00
A. H. Eq. Inc.	43.5	46.5	-0.2	7.87
Govt. Secs.	25.3	26.0	+0.1	11.81

International Funds

International	34.5	36.9	+0.1	2.68
Pacific Fund	60.0	64.2	.....	1.90
Secs. Of America	71.0	76.0	+0.2	2.11

Specialist Funds

Smaller Co.'s Fd.	52.9	56.6	+0.1	4.42
2nd Smlr. Co's Fd.	62.7	67.1	-0.1	4.47
Recovery Sits.	126.6	135.5	-0.3	5.96

[illegible]

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	34.0	37.2	-0.1	12.10
North American	60.2	65.0	-0.1	2.64
Canadian Exempt*	63.2	66.9	+0.8	3.50
Canadian Trust	64.5	69.6	.....	2.57
Mid Mount High Inc.*	45.9	49.7	-2.2	9.71
Recovery	52.8	57.7	.....	7.45
Gilt Trust	42.7	44.6	+0.1	12.91

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	40.7	43.9	+0.2	0.85
Cres. Internat'l.	74.7	80.6	+0.1	1.79
Cres. High. Dist.	39.3	42.4	-0.1	11.49
Cres. Reserves	48.7	52.5	.....	5.48
Cres. Tokyo	28.0	30.2	-0.3	1.03

Darlington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	24.0	25.4	.....	9.99

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Dec. 25	216.7	231.2	-5.0	5.72

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.4	19.2	.....	8.75
Gt. Winchester O'seas	25.8	28.4	.....	3.90

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	88.4	95.1	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33577

Equity & Law	85.3	89.7	+0.1	4.79

Fidelity International Management Ltd.
62-63 Queen St, London EC4 1AD 01-248 4991

American (z)	32.5	35.1	+0.2	0.82
Ameri. Spec. Sits. (z)	25.6	27.0	+0.1	0.59
Gilt + Fixed Int.	25.1	26.5	.....	12.21
Growth + Income	29.4	31.7	-0.1	7.82
Maximum Int. Eq. Tst.	25.0	26.4	.....	9.74
Special Sits.	57.4	40.3	-0.1	2.81

[illegible]

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588
See also Stock Exchange Dealings.

American	50.6
(Accum. Units)	54.3
American Recovery	61.1
(Accum. Units)	62.8
Australasian	120.9
(Accum. Units)	126.5
Commodity	133.4
(Accum. Units)	254.9
Compound Growth	262.0
Conversion Growth	116.6
Conversion Inc.	70.3
Dividend	119.8
(Accum. Units)	296.7
European	63.2
(Accum. Units)	68.3
Extra Yield	77.0
(Accum. Units)	130.6
Far Eastern	98.3
(Accum. Units)	112.1
Fund of Inv. Tsts.	89.5
(Accum. Units)	119.7
General	275.6
(Accum. Units)	522.0
Gilt	46.6
(Accum. Units)	48.6
High Income	97.9
(Accum. Units)	194.3
Japan	150.1
(Accum. Units)	157.7
Magnum	260.8
(Accum. Units)	499.4
Midland	146.3
(Accum. Units)	260.2
Recovery	114.4
(Accum. Units)	126.0
Second Gen.	251.3

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98⅞	90¾	Treasury 3½pc 1979-81	98⅞	......	3.55	13.42
98⅞	93⅜	Treasury 9¾pc 1981‡‡	98⅞	......	9.85	13.80
97⅝	91¼	Exch. 8¼pc 1981	97⅝	......	0.45	13.80
97⅝	92¼	Exch. 9½pc 1981	97½	–⅛	9.74	13.89
94	85½	Exch. 3pc 1981	93⅝	......	3.20	13.58
99⅞	96½	Treas. Variable '81‡‡	99⅞	......	13.72	14.35
100⅞	95⅞	Exch. 12¾pc 1981‡‡	99⅞	......	12.76	12.75
95¾	88½	Treas. 8½pc '80-82‡‡	95¾xd	......	8.88	13.01
92¾	82½	Treasury 3pc '82‡‡	91½	......	3.22	11.36
102¾	95⅝	Treasury 14pc '82‡‡	100⅞	–⅛	13.88	13.15
99⅞	94¼	Treas. Variable '82‡‡	98⅞	......	13.82	14.64
93⅞	86¼	Treasury 8¼pc '82	93⅞xd	......	8.81	13.01
[illegible]	[illegible]	[illegible]	[illegible]	......	9.87	13.36
		Five to Fifteen Years				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Over Fifteen Years				
103¾	92¾	Treas. 13pc 2000	[illegible]	......	[illegible]	[illegible]
110⅝	94⅛	Treas. 14pc '98-01	102⅛	......	13.90	13.89
97½	81⅛	Exch. 12pc '99-02	88¾xd	......	13.46	13.60
108⅝	91¾	Treas. 13¾pc 2000-03	95⅞xd	......	13.77	13.78
97	75⅞	Treasury 11½pc '01-04	69½xd	......	13.22	13.43
42¼	34⅛	Funding 3½pc '99-04	39xd	......	8.94	10.55
102	86⅝	Treasury 12½pc '03-05	94⅛	......	13.47	13.50
72⅞	59¾	Treasury 8pc '02-06‡‡	68	......	12.10	12.39
96½	80¼	Treasury 11¾pc 03-07	87⅝xd	......	13.29	13.36
40¼	34⅞	Do. A (£40pd)	36⅞	......	13.23	13.28
109	94½	Treas. 13½pc '04-08	102⅝	......	13.62	13.61
53¾	42⅞	Treasury 5½pc '08-12‡‡	50⅛	......	11.35	11.69
70¼	57½	Treasury 7¾pc '12-15‡‡	63½xd	......	12.09	12.22
101½	85⅛	Exch. 12pc '13-'17	93⅜	......	12.93	12.93
		Undated				
34⅞	29	Consols 4pc	33⅝	......	12.51	—
33¾	28⅞	War Loan 3½pc‡‡	30¾	+⅛	12.48	—
37¾	32¾	Conv. 3½pc '61 Aft.	37¼	......	9.62	—
25⅞	21⅝	Treasury 3pc 66 Aft.	24¾	......	12.47	—
22¾	19½	Consols 2½pc	20¼xd	......	12.02	—
22	17⅞	Treasury 2½pc	20⅝	......	12.49	—

INTERNATIONAL BANK

High	Low	Stock	Price	+ or –	Int.	Red.
88	78	5pc Stock '77-82	87¼	......	5.73	14.06

CORPORATION LOANS

High	Low	Stock	Price	+ or –	Int.	Red.
97¾	83⅝	Bath 11¼pc 1985	92	+½	12.39	13.90
98¾	89½	Birm'ham 12½pc 1985	96¼	+½	12.97	13.63
99¾	96¾	Bristol 13¾pc 1981	99¾	......	13.78	14.71
102¾	90	Burnley 13pc 1987	97¾	+1	13.44	13.77
95¾	82¾	Cardiff 11pc 1986	91¾	+1	12.26	13.59
98½	93	G.L.C. 12½pc '82	98¼	+¼	12.72	13.92
98¾	90¾	Do. 12½pc 1983	97½	......	12.83	13.65
92½	84¾	Glasgow 9¼pc '80-82	92½	+¼	10.00	13.92
77	64½	Herts 6¾pc 1985-87	75¾	+¾	9.25	12.97
90½	81¼	Liverpool 9¾pc '80-84	89¾	......	10.86	13.42
27	24	Do. 3½pc Irred.	25¾	......	14.01	—
100¼	92¾	Lon. Corp. 13¾pc '83	98¾	–¼	13.41	13.76
94	79¾	Do. 9¼pc '84-85	87¼	......	10.64	13.72
80½	71	L.C.C. 5½pc '82-84	79	......	6.96	13.10
71¼	60½	Do. 5½pc '85-87	68½xd	+¼	8.06	12.90
71¼	60¾	Do 6¾pc '88-90	67xd	+¼	10.04	12.80
24	21	Do. 3pc '20 Aft.	23¼	+¼	13.25	—
97½	87¼	Sunderland 12¼pc 1984	95¾xd	......	12.78	13.64

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price	+ or –	Int.	Red.
92¼	82¼	Aust. 5½pc '81-82	92¼	+½	6.06	13.63
85¼	72½	Do. 6pc 1981-83	83½	......	7.22	13.19
67¾	58	N.Z. 7¼pc 1988-92	63¾xd	+¼	11.36	13.55
82¾	72	Do. 7½pc '83-86	78xd	+¼	9.65	13.33
96¾	88	Sth. Africa 9½pc '79-81	96	+¼	10.01	16.05
160	95	S. Rhod. 2½pc Non-Ass.	111	+1	—	—
47	31	Do. 3½pc 80-85 Assd.	47	+3	7.72	24.00
32	20½	Do. 4½pc 87-92 Assd.	32	+2	14.87	21.80

LOANS

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		Public Board and Ind.				
64½	56½	Agric. Mt. 5pc '59-89	61⅓	+½	0.13	12.47
84	73½	Alcan 10½pc '89-94	76½xd	–½	13.72	14.60
30	25	Met. Wtr. 3pc 'B'	29	......	10.71	12.89
104½	89	U.S.M.C. 9pc 1982	98½xd	......	9.13	—
93	85½	Do. without Warnts.	91½xd	+½	9.83	12.50
		Financial				
99⅝	96½	FFI 13pc 1981	99⅞	......	13.06	16.68
101½	93½	Do. 14pc '83	100¼	+¼	13.96	13.88
90	79½	FFI(UK Fe)6½pcDb. '80-2	89½	......	[illegible]	13.45
82½	71½	Do. 6¼pcDb. '81-84	79½	......	7.9	[illegible]
93	80½	Do. 10½pc Uns.Ln. '86	86xd	......	12.20	14.50
92½	77	Do. 11pc Uns.Ln. '88	87xd	+1	12.64	13.55
96	82	Do. 11¾pc Uns.Ln. '90	86½xd	–½	13.58	14.45
101	84½	Do. 12¾pc Un. Ln. 1992	92½	......	14.02	14.45
67	56	Do. 7¼pcADeb. '89-92	60½xd	–½	11.98	14.20
66½	51½	Do. 7¼pcADeb. '91-94	60½	......	12.41	14.20
76½	64½	Do. 9pc 'A' '91-94	71	......	13.14	14.30
71½	61	Do. 8⅞pcLn. '92-97	68½	......	13.66	14.40

FOREIGN BONDS & RAILS

1980 High	Low	Stock	Price £	+ or –	Div. % Ewts	Red. Yield
82	43	Antofagasta Rly.	62½	......	—	—
55	50	Do. 5pc Pref.	55	......	—	—
98	98	Chilean Mixed	98	......	3	13.10
58	18	Chinese 4½pc 1898	20	......	—	—
45	17	Do. 5pc 1912	10	......	—	—
24	11	Do. 5pc 1913	13	......	—	—
24	11	Do 5pc '25 Boxer	12	......	—	—
97	88½	Denmark 13pc 2005	90½xd	+¼	13	14.56
36	28½	Greek 7pc Ass.	36	......	3½	19.90
35	31	Do. 6pc 28 Stb. Ass.	33	......	3	19.31
34	30	Do 4pc Mixed Ass.	30	......	2	16.87
53	51	Hung. '24 Ass.	52	......	2¼	15.32
65	50	Iceland 6½pc '83-88	62	......	6½	15.60
89¼	79	Ireland 7½pc '81-83	85¼xd	......	7½	14.31
87¾	71¼	Do. 9¼pc '91-96	77½	......	9¼	13.79
235	[illegible]	Japan 4pc '10 Ass	185	......	—	—
75	56	Do. 6pc '83-88	73	+1	6	11.40
155	155	Peru Ass. 2007	155	......	5.22	13.39
594½	579	Turin 9pc 1991	579	......	—	11.39
DM92½	DM90	Turin 6½pc 1984	DM90	......	—	9.45
96	96	Uruguay 3½pc	96	......	3½	3.90

AMERICANS

1980 High	Low	Stock	Price £	+ or –	Div. Gross	C'vr	Y'ld Gr's
37¼	16⅝	ASA	29¾xd	+¼	$4.00	—	5.7
34	27½	AMF 5% Conv. '87	275xd	+¼	5%	—	117
23	15⅝	Abbott Labs.	21⅞	+¼	$1.20	—	2.3
25¼	16⅝	Amax $1	16⅝	–⅞	$2.40	—	6.0
21⅞	11½	Amer. Express $0.60	16¼	......	$2.00	—	5.0
17⅞	862p	Amer. Medical Intl. $1	17	......	64c	—	1.5
24⅞	13⅛	Asarco Inc.	15⅛	–⅛	$1.55	—	3.9
22½	11⅞	Baker Intnl. Corp. $1	[illegible]	–⅞	40c	—	0.8
26½	16¼	Bankers N.Y. $10	26	–½	$3.70	—	5.9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

1980 High	Low	Stock	Price £	+ or –	Div. Gross	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10½	570p	Hawker Sid. Can.	750p	......	90c	—	4.5
22⅞	12¾	Hollinger $5	16¾	+¼	$2.20	—	4.6
11⅞	815p	Hudson's Bay	890xd	......	$1.20	—	4.7
14¼	765p	Hud. B. Oil G. $2½	880p	+25	57.5c	—	2.3
21⅞	11⅝	Imperial Oil	17⅞	+¼	31.40	—	4.1
14	770p	Inco	825p	+25	$US72c	—	3.6
565p	425p	Int. Nat. Gas $1	505p	–5	$1.00	—	6.9
495p	145p	Massey Ferg.	155p	+5	—	—	—
200p	97p	Place Gas $1	110p	–5	—	—	—
14⅞	10½	Rio Algom	12½	–⅛	$1.50	—	4.2
21⅝	14¼	Royal Bk. Can. $2	20⅞	......	$2.72	—	4.6
27½	15⅞	Seagram Co. C$1	25¾	......	US$1.40	—	2.2
13⅞	890p	Tor. Dom. Bk. $1	12¼xd	......	$1.52	—	4.4
10½	750p	Trans Can. Pipe	805p	–15	$1.16	—	3.1

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

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[illegible]

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[illegible]

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[illegible]

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[illegible]

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[illegible]

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[illegible]

MINES—Continued

Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
37	21	Acmex 50c	35	.....	1p	—	3.7
26	12	ACM 20c	18½	.....	—	—	—
*199	46½	Bond Corp.	150xr	−4	Q7.5c	1.9	2.5
156	87	Bougainville I Kina	93	.....	tbQ25.2	1.8	13.7
*350	221	CRA 50c	284	−10	tQ15c	2.1	2.6
25	11½	Canada Northwest	19	.....	—	—	—
42	8	Carr Boyd 20c	29	+1	—	—	—
545	152½	Central Pacific	350	−15	—	—	—
43	17	Cultus Pacific N.L.	36	+1	—	—	—
52	20	Eagle Corp. 10c	28	−2	—	—	—
41	15¾	Endeavour 20c	37	.....	—	—	—
600	175	G. M. Kalgoorlie 25c	510	.....	Q13c	φ	0.3
46	15	Great Eastern	21½	.....	—	—	—
*262	117	Hampton Areas 10p	245	.....	t2.5	2.4	1.5
204	30	Haoma Gold N.L.	184	+10	—	—	—
95	15	Intl. Mining	80	.....	—	—	—
390	11	Kitchener NL 25c	250	+5	—	—	—
720	80	Leichhardt Expln.	105	.....	—	—	—
500	300	Meekatharra	315	.....	—	—	—
43	7	Metals Energy	25	.....	—	—	2.6
91	41	Metals Ex. 50c	65	−1	§Q3c	2.9	2.4
39	8½	Meramar Mns. 20cts.	30	.....	—	—	—
264	150	M.I.M. Hldgs. 50c	224	−1	tiQ27.6c	1.7	6.2
26	7	Minefields Expl. 25c	22	.....	—	—	—
155	60	Mount Lyell 25c	100	.....	Q15c	1.7	7.7
28	15	Newmetal 20c	20	+2	—	—	—
60	13	Nickelore N.L.	60	+10	—	—	—
214	137	North B. Hill 50c	200	−8	Q18c	3.1	4.4
*106	31	Nth. Kalgurli	83	+7	—	—	—
165	90	Nth. Mining Corp.	122	−2	—	—	—
192	24	N. West Mining N.L.	192	+7	—	—	—
*132	52	Oakbridge 50c	120	.....	tQ12c	1.1	4.9
200	70	Oilmin N. L.	170	.....	—	—	—
240	128	Pacific Copper	180	.....	—	—	—
620	255	Pancont'l 25c	555	+15	—	—	—
78	42	Paringa M&Ex.5p	47	.....	—	—	—
625	335	Peko-Wallsend 50c	530	.....	tQ17.5c	φ	1.6
230	100	Seltrust A.	105	.....	—	—	—
206	57½	Southern Pacific	135	−8	—	—	—
100	31	Swan Resources 20c	75	−2	—	—	—
34	8	West Coast 25c	18	.....	—	—	—
332	177	Westn. Mining 50c	285	−3	Q14c	1.6	2.4
45	10	Westmex	27	−1	—	—	—
108	56	Whim Creek 20c	68	.....	—	—	—
75	10½	York Resources	73	.....	—	—	—

Tins

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	10	Amal Nigeria 1p	11	.....	16.0	—	—
370	255	Ayer Hitam SM1	260	.....	Q205c	1.0	15.2
72	42	Beralt Tin	54	.....	4.5	3.2	11.9
308	145½	Berjuntai SM1	260	.....	Q85c	φ	6.5
230	125	Geevor	143	+8	‡8.4	1.9	‡
12½	9	Gold & Base 12½p	9	.....	—	—	—
810	510	Gopeng Cons.	620	.....	Z21.0	φ	4.8
450	280	Hongkong	450	.....	‡55.87	φ	‡
145	90	Idris 10p	123	.....	14.0	1.2	16.3
15	12½	Jantar 12½p	14	.....	1.5	φ	15.3
128	64	Kamunting SM0.50	95	.....	‡Q80c	1.0	‡
565	150	Killinghall SM1	545	.....	thQ50c	φ	1.8
128	48½	Malay Dredging 10c	94	.....	bQ38c	0.9	7.8
42	26	Pahang	30	.....	0.44	0.3	2.1
120	85	Pengkalen 10p	103	.....	Z2.5	φ	3.5
415	250	Petaling SM1	375xd	.....	Q180c	φ	9.3
44	19	South Crofty 10p	20	.....	‡1.0	φ	‡
305	215	Sungei Besi SM1	230xd	−10	‡Q420c	1.1	‡
100	22½	Supreme Corp. SM1	95	.....	gQ15½c	φ	3.2
125	90	Tanjong 15p	118	.....	5.75	6.0	7.0
115	78	Tongkah H. Tin ISm	90	−5	Q23%	φ	5.0
480	220	Tronoh SM1	350	.....	‡Q250c	0.7	‡

Copper

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
260	130	Messina R0.50	229	.....	Q45c	φ	12.4

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
180	78½	Anglo-Dominion	140	−11	—	—	—
97	43	Barymin	47	−6	—	—	—
17	12	Burma Mines 10p	15	.....	0.62	1.1	6.0
445	55	Colby Res. Corp.	250	−38	—	—	—
502	240	Cons. Murch. 10c	250	.....	tQ30c	1.8	6.9
180	80	††Hemerdon 10c.	85	.....	—	—	—
225	25	Highwood Res.	165	.....	—	—	—
£85	525	Northgate C$1	580	.....	—	—	—
*486	322	R.T.Z.	410	.....	t16.0	3.2	5.6
£215	£101	[illegible]	£202	.....	Q9½%	—	f8.7
49	16	Robert Mines	33	.....	—	—	—
128	91	††SPO Minerals 10p	122	+2	—	—	—
58	23	Sabina Inds. C$1	40	+5	—	—	—
51	31	††SWCM 10p	34	.....	—	—	—
650	411	Tara Exptn. $1	487	−3	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ◆ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- \+ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ** Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	29	.....
Bertam	11	.....
Edg'wtr. Est. 50p	515	.....
Craig & Rose £1	£11xd	.....
Fife Forge	39	.....
Finlay Pkg. 5p	25	.....
Graig Ship. £1	£19	.....
Higsons Brew.	67	.....
Holt (Jos.) 25p	315	+5
I.O.M. Stm. £1	162	.....
Pearce (C. H.)	635	.....
Peel Mills	57	.....
Sheff. Refrshmt	92xd	.....
Sindall (Wm.)	142	.....

IRISH

Conv. 9% '80/82	£93⅜	.....
Nat. 9¾% 84/89	£79½	.....
Fin. 13% 97/02	£86⅛	.....
Alliance Gas	52	.....
Arnott	205	.....
Carroll (P.J.)	79	−1
Concrete Prods.	83	.....
Heiton (Hldgs.)	23	.....
Ins. Corp	320	.....
Irish Ropes	33	+3
Jacob	34	.....
T.M.G.	26	+1
Unidare	65	.....

OPTIONS

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Burton	10
Cadburys	6
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Gen. Electric	50
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A selection of Options traded is given on the London Stock Exchange Report page

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FINANCIAL TIMES
Wednesday December 24 1980

British Shipbuilders make trading loss of £57m

BY WILLIAM HALL, SHIPPING CORRESPONDENT

BRITISH SHIPBUILDERS made a trading loss of £57m in the half-year to end-September. This is marginally higher than the loss in the comparable period last year and underlines the industry's serious financial condition despite hopes of the new British Shipbuilders' chairman for a better financial performance next year.

The merchant ship order book at British Shipbuilders has fallen to its lowest level since nationalisation and important warship orders have failed to materialise. As a result several yards are running short of work and against the background of strict Government cash limits, further redundancies are being considered.

Since Britain's loss-making shipyards were nationalised in July 1977, the workforce has been cut by a fifth to around 70,000. Merchant shipbuilding capacity is planned to have been cut by next year by over a third since 1977 to about 400,000 compensated gross registered tonnes (c.grt) a year.

However, given the lower than expected naval orders and British Shipbuilders' failure to participate in the upturn in world shipbuilding, a further reduction in capacity seems inevitable. The future level of naval orders will be a crucial factor in determining the size of the industry over the next few years since, of the two main sectors in the industry, over 30,000 workers are now employed on warship building compared with less than 20,000 in merchant shipbuilding.

BRITISH SHIPBUILDERS ORDER BOOK

	Merchant ships '000 c.grt	Value £m
1976	1,476	750*
1977	1,228	832
1978	825	597
1979	590	573
1980†	518	538

* Approximate figure for all private yards.
† To end September (first half year).

The trading loss of £57m for the first half of 1980-81 compares with an original loss limit for the full year of £90m. British Shipbuilders has told the Government that it will exceed its loss limit in the current year by about £20m but is confident it can contain its losses for 1980-81 within the revised level of £110m. In 1981-82, British Shipbuilders' loss limit has been reduced to £75m.

In its past financial year British Shipbuilders made a trading loss of £109.9m on a turnover of £870m. In the first half of 1980-81 its turnover rose by 6 per cent to £449m compared with the same period in the previous year.

In 1979 British Shipbuilders produced 440,000 c.grt of merchant ships and although full statistics are not yet available, output has probably continued at about this level. However, the merchant orderbook has fallen from 590,000 c.grt at the end of 1979 to 473,000 c.grt at the end of November 1980.

In addition to its serious financial problems in 1980, British Shipbuilders has been affected by numerous top management changes. The chairman and chief executive have both retired, and the board members for finance, industrial relations and engineering have departed.

A new chairman, Mr. Robert Atkinson, has been appointed. He has made major cuts in overheads and introduced a new divisional structure. Considerable effort is being made to win more North Sea related work and British Shipbuilders recently won a major order for a semi-submersible drilling rig. However, the strength of sterling is a major disadvantage in the fight against foreign competition.

Kleinwort Benson gives up rights to M & G control

BY RAY MAUGHAN

KLEINWORT BENSON, the merchant bank, has renounced its rights to take voting control of the M & G Group (Holdings) stable of unit trusts.

M & G, managing funds worth more than £1.2bn, ran into a potential tax liability of £7m in connection with its Foreign Life Fund just before Christmas last year.

With the Department of Trade looking closely at the solvency of its life assurance operations and facing what the group later admitted were further unquantified liabilities, M & G asked one of its major shareholders, Kleinwort Benson, to pay up to £5m if required to cover the deficiency. In return, Kleinwort was offered subscription rights for new capital which would have raised its stake in M & G from 37.5 per cent to 51 per cent.

The potential tax liability has since been whittled down progressively by buying out the policyholders. This has succeeded to the point where the maximum deficiency is now £2m, with a minimum of £1.4m.

Now the problems stemming from the offshore life assurance business have been contained, Kleinwort has heeded the unit trust group's vehement desire to remain independent. It has accordingly dropped the option to take control and decided instead to buy a further 5 per cent from the Esmée Fairbairn Charitable Trust, one of M and G's first shareholders, at 215p per share, or a total of just over £1m.

The earlier agreement provided for the merchant bank to go up to 51 per cent by subscribing for new shares at a premium of 30p to net asset backing per share. M and G's assets will not be computed until the accounts for the year to September 30 have been prepared, but, assuming a purchase price of 185p per share, the cost of exercising the option would have been about £4.5m.

Stressing the value of its independence to both share and policy holders, M and G yesterday demonstrated the strength of its revival. Thanks largely to the performance of its own investments, notably gold and overseas shares, a good year for unit trust turnover and the release of tax provisions no longer required, the group's net worth has risen from £5.6m in the last balance sheet to as much as £13m.

The shares jumped 40p yesterday to 242p.

THE LEX COLUMN

Rudolph, help me fly my sleigh

Index rose 2.1 to 466.7

Rudolph Smith put down the telenbone and sighed. So it was true; they were cutting him out of the GEC rights issue sub-underwriting, just as they had warned.

He recalled his conversation only a week before with the fearsome Nigel Fortescue, senior partner of the blue-blooded stockbroking firm of Bullimore and Stuffem. "Don't try to play games with us, sonny," Fortescue had rasped. "Take what we give you, and don't complain. We don't deal with clients who pick and choose."

The trouble was, Rudolph had such a good market nose for new issues, and he could almost always tell the ones that were going to flop. The breaking point had come when Bullimore had been brokers to the Government's offer for sale of British Steel Corporation.

"I've already filled in your application form for a million," the Bullimore dealer had told him over the telephone. "When the messenger comes round, just sign next to where I've pencilled in a cross."

Rudolph knew he was mad to refuse. Without underwriting commissions his Bacon and Woodrow quarterly performance could be off half a point. But it was a matter of principle. "Never mind," he sniffed, "they will be back."

Several months later a meeting took place in Bullimore's wood-panelled conference room. All the City's top fund managers had been invited — except of course for Rudolph Smith. For the brokers were about to launch a very important new unlisted issue.

Doctor Nicholas Claus rose to speak. "As you may know," he began, "I have for many years been associated with the Sand Tar Corporation of Calgary. Our exploration programme for oil and gas up various creeks in Alaska and Canada has long been largely financed by investors here in London."

"But what we have to discuss now is something much bigger. For we are on the brink of being able to prove the existence of truly vast reserves of high grade tar sands in the North Polar regions of Greenland. What is more, the geology is right for the presence of enormous deposits of free oil and gas.

"Gentlemen, this could provide cheap and abundant energy for us and our children—although, I can assure you, not too cheap."

He paused momentarily. "But there is a major technical obstacle. The whole region is covered by a continuous layer of ice. Present techniques do not permit meaningful exploration in such conditions. That is why I, with the help of my faithful group of ten Eskimo scientists, have been endeavouring to develop a whole new concept in seismic technology."

Claus pressed a button. A curtain drew aside, revealing a dramatic picture of a futuristic flying vehicle. "Allow me to present," he pronounced solemnly, "our creation, the Sand Tar-Claus Computer Sky Sleigh."

"This is the ultimate oil exploration vehicle," he intoned, "able to land on and take off from snow and ice, with immense onboard computer capacity so that the operator can utilise computer tomography techniques to construct ultrasonic holograms reaching to a depth of 20,000 feet. And it will fly like a bird—why, it could be hovering quietly just above your chimney at home, and you would never even wake up."

All we need is £100m to produce the vehicle. Prospectuses are now being handed round for our offer of 49 per cent of the shares of Associated Sky Sleigh Limited. You will see that the issue remains open until December 25."

Claus handled questions with impressive ease. He told them of how the big oil firms refused to back him, for fear the discovery of huge new oil reserves would ruin their investments elsewhere.

He told them, too, of how the short-sightedness of the U.S. Securities and Exchange Commission, which insisted on all sorts of irrelevent and expensive legal documentation, was preventing him from financing his project in the U.S.

"But investors in London are willing to take a much more sensible attitude," he explained. "And the London Stock Exchange is being so co-operative. Why, as soon as we get our Alaskan listing on the Cook Inlet over-the-counter market, I understand it will be easy to deal in ASS shares here through the London market."

But as Christmas drew near it became clear that the issue was not going well. With the Government selling off equity in BL-Honda (1981) Ltd there was a serious drain on institutional funds.

What was more, the ASS project had come in for some well-informed criticism. "Are you sure that Greenland belongs to Canada," one fund manager had asked. "I think it's something to do with Norway."

There was a grim-faced meeting at Bullimore. "We've counted the applications twice," admitted Fortescue, "and there's no doubt we shall be half a million short even though our discretionary clients, bless them, have been astonishingly enthusiastic."

"But you must realise," said Claus, "that if my Sky Sleigh doesn't get floated by Christmas our children will have to go without. Besides, it will be a big black mark on Bullimore's book."

Fortescue nodded gravely. There was only one chance left. "I hate to say this," he said, "but there is just one more fund manager I think you should go and see. . ."

It was Christmas Eve, and time was running out. "Hi, Rudolph," greeted Claus. "I'm Nicky." He would have to work fast.

"Forget about the technological details," he drawled persuasively. "Let's look at it from your point of view. What impresses your trustees most? Why, they want to see that you're heavily into energy stocks, and next that you've got lots of technology in the fund. Even the dumbest trustee—and I guess they can be pretty dumb—knows that the Wilson Committee was concerned that not enough big fund money has been going in at the ground floor level. Can't you see that the Sky Sleigh is the ideal investment on all three counts?"

He spoke slowly and earnestly. "Rudolph, I hear you have kind of a bright nose for a good deal. Won't you help me get my sleigh off the ground tonight?"

Rudolph hesitated. It looked such a curious proposition, and yet it was true that a trustee had asked last quarter about venture capital. He had also been criticised because his overseas content was only 10 per cent. And if he agreed, then Bullimore would have to start offering him underwriting commissions again.

He nodded. And at once the door opened and Nigel Fortescue came in with a group of his top salesmen. "Congratulations," cried Fortescue. "Rudolph, for this you'll go down in history."

Claus turned smiling to Rudolph. "My name may be Claus," he laughed, "but I think it's you that is really Father Christmas!"

Steel union plans pay ballot

By Alan Pike

THE LARGEST steel industry union is to ballot its members on the British Steel Corporation's new plan and proposals to freeze pay until July.

Members of the Iron and Steel Trades Confederation will be given a free vote on the pay issue. The union's executive is urging them to reject the corporate plan which will lead to at least 20,000 more redundancies next year.

Other steel unions have already accepted BSC's insistence on delaying this winter's pay settlement until July when it will then pay 7 per cent. The ISTC will be left in an isolated position if its members vote to oppose it.

Mr. Bill Sirs, ISTC general secretary, said yesterday that the union's executive was recommending rejection of the corporate plan because it would do nothing to solve the real problems of BSC. Until issues like energy costs and transport subsidies enjoyed by foreign competitors were dealt with, "crisis will follow crisis."

It was not the union's intention to accept responsibility for the continued application of wrong policies which were slowly destroying the industry, he said.

While the ISTC is recommending its members to vote aginst the corporate plan, it may be more in the hope of improving its negotiating position at plant level than in a belief that it can change the general strategy of Mr. Ian MacGregor, the BSC chairman.

The ISTC ballot result will be advisory. Future action will be determined by the union's central negotiating committee. If members reject the pay proposals the union will probably seek further negotiations with BSC.

Tinplate workers' action, Page 6

Redland Purle sold for £20m

BY MICHAEL CASSELL

REDLAND is selling its Redland Purle waste transport and disposal business for £20m cash. The purchaser is a joint company being formed by Guest Keen and Nettlefolds and Brambles Industries of Australia.

Redland Purle is the largest private sector waste operator in the UK and has been owned by Redland, the building materials group, since 1972, when it paid £16.8m for what was then an independent public company. In the past financial year it made a £2.01m contribution to group pre-tax profits of £57.2m and the latest unaudited accounts indicate a turnover in the current year of about £28m and pre-tax profits of between £3m and £3.5m. The net book value of the assets being transferred is about £15m.

Mr. Colin Corness, chairman and chief executive of Redland, said last night that he had received a number of approaches from companies wishing to buy Redland Purle but most had been from people who did not understand the business and had not, therefore, placed a high enough value on it.

Mr. Corness said the Redland Purle operation had lost money in the years immediately after its acquisition but it was now, for the first time, achieving an acceptable return on investment.

"On balance, I would think that we have extracted from the business what we have put in. It has made no significant contribution, but has not represented a drain on the rest of the business."

Mr. Corness said the efficiency and profitability of the waste disposal operation had been substantially improved although he had "never been completely comfortable with a business which was prone to throwing unpleasant surprises."

Redland had not been seeking a purchaser for Redland Purle and rejected a move by Brambles Industries to establish joint ownership.

Brambles operates the largest waste management business in Australia under the name of Cleanaway, which will be adopted by Redland Purle after the acquisition.

GKN, which is a partner with Brambles in GKN Chep, a UK pallet and container service, said the joint purchase was an important step in the development of its expanding industrial services activities.

News Analysis Page 4

Weather

UK TODAY

MILD in S., near-normal temps. in N. Cloudy, rain. Brighter in N. later.

S., W., E. England, Midlands, Channel, S. Wales

Cloudy, rain at times, hill and coastal fog in Channel Isles, S.W. England, S. Wales. Max. temps. 9-12C (48-54F).

Rest of England, N. Wales, I.o.M., N. Ireland, Scotland

Rain at first, becoming brighter. Max. temps. 7-9C (45-48F).

Orkney and Shetland

Cloudy, rain at times. Max. temp. 6C (43F).

Outlook: Near-normal temps., night frost. Sunny intervals and showers in N. Rain later.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	13	55	Lisbon	S	12	54
Algiers	F	16	61	Locarno	S	6	43
Amsdm.	C	10	50	London	C	14	57
Athens	F	13	55	L. Ang.†	Fg	14	57
Bahrain	S	20	68	Luxmbg.	R	7	45
Barclna.	S	14	57	Luxor	S	25	77
Belfast	F	9	48	Madrid	S	10	50
Belgrd.	C	4	39	Majorca	S	16	61
Berlin	R	6	43	Malaga	S	17	63
Biarritz	C	11	52	Malta	F	13	55
Bmghm.	S	13	55	M'chstr.	S	11	52
Blackpl.	F	9	48	Melbne.	S	19	66
Bordx.	C	11	52	Miami†	F	22	72
Boulgn.	C	10	50	Milan	S	8	46
Bristol	C	11	52	M'ntrl.†	Sn	−13	9
Brussels	C	11	52	Moscow	C	1	34
Budpst.	S	5	41	Munich	R	5	41
Cairo	S	21	70	Nairobi	C	26	79
Cardiff	R	10	50	Naples	S	11	52
Cas'b'ca	Fg	13	55	Nwcstl.	F	10	50
Cape T.	C	19	66	N. York†	C	−2	28
Chicg.†	C	0	32	Nice	S	15	59
Cologne	C	11	52	Nicosia	F	19	66
Cpnhgn.	C	6	43	Oporto	S	15	59
Corfu	F	13	55	Oslo	C	−3	27
Denver†	C	4	39	Paris	C	12	54
Dublin	S	10	50	Prague	R	3	37
Dbrvnk.	F	10	50	Reykjvk.	C	−2	28
Ednbgh.	F	8	46	Rhodes	F	16	61
Faro	S	17	63	Rome	S	13	55
Florence	S	8	46	Salzbrg.	R	1	34
Frankft.	C	8	46	S F'cisct	C	8	46
Funchal	C	18	64	Singapr.	F	30	86
Geneva	C	4	39	Stckhm.	C	2	34
Gibraltar	C	15	59	Strsbg.	C	8	46
Glasgow	S	9	48	Sydney	S	27	81
G'msey	R	11	52	Tangier	S	18	64
Helsinki	C	1	34	Tenerife	C	20	68
H. Kong	S	19	66	Tokyo	C	6	43
Innsbrk.	Sn	−1	30	T'r'nto†	C	−4	25
Invrnss.	C	7	45	Tunis	C	14	57
I.o.Man	F	9	48	Valencia	S	16	61
Istanbul	C	12	54	Venice	C	3	37
Jersey	C	11	52	Vienna	C	7	45
Jo'burg	C	26	79	Warsaw	C	2	36
L. Plms.	C	19	66	Zurich	C	8	43

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sn—Snow.
† Noon GMT temperatures.

Barclays may buy Spanish bank

BY ROBERT GRAHAM IN MADRID AND MICHAEL LAFFERTY IN LONDON

BARCLAYS BANK is negotiating to buy a troubled Spanish bank which is receiving aid from the Corporation Bancaria, a semi-official "lifeboat" operation.

If the deal goes through it will be the first time a foreign bank has acquired a Spanish bank since the liberalisation of the country's banking system in 1978 made it possible for foreign banks to move into the Spanish market.

Mr. Peter Leslie, chief executive of Barclays Bank International, refused to comment on his bank's Spanish expansion plans. However, reports in the Spanish banking community suggest that the bank in question is Banco de Valladolid, an institution with published shareholders funds of Pts 2.3bn (£12.3m) and deposits of Pts 20bn (£107m). It has about 40 branches and employs 650 people.

Banco de Valladolid was taken over by the Corporacion Bancaria, the "Bank Hospital," in 1979, and since then has been restructured with a view to being refloated.

It is one of several Spanish banks which faced financial trouble after the Spanish banking system was made more competitive in the late 70s, partly in preparation for EEC entry. Before this, and especially under the Franco regime, the Spanish banks were protected from outside competition and were thought to have a profitability akin to the British clearing banks. At a result, the recent liberalisation was opposed by many of the Spanish banks.

Negotiations between Barclays and the Corporacion Bancaria for the purchase of Banco de Valladolid are being watched carefully by foreign and Spanish banking communities, since the outcome is expected to set an important precedent. Until now, several foreign banks — including Britain's Midland Bank which is expected to open a Spanish branch next year—have looked at the possibility of acquiring a Spanish bank. Most appear to have been put off by the fact that the only banks available for possible acquisition were those in the Corporacion Bancaria.

There has also been some doubt about the attitude of the Spanish authorities to a foreign bank takeover. When first approached earlier in the year the authorities indicated that, while approving the idea in principle, they felt the time for a takeover was inopportune. More recently, however, there have been indications that if the offer were high enough it would be difficult for the Cabinet to refuse permission.

National agreement for building site workers shelved

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE ATTEMPT to conclude a pioneering national agreement for large construction sites has been formally shelved with the conclusion of traditional, separate agreements for the industry's 35,000 workers.

However, the separate agreements, concluded with the two employers' groups — the Engineering Employers' Federation and the Oil and Chemical Plant Contractors' Association —could be superseded if a national agreement is reached next year.

Both sides say they are hopeful of achieving such a settlement in negotiations set to begin in the middle of next month.

Though significant divisions remain in the unions' and the employers' ranks, the traditional agreements, finalised last weekend, have for the first time brought the two employers' groups into line on rates paid and the date of settlement, and thus smooth the way to the new type of national deal.

The traditional agreements, known as the mechanical construction engineering agreement and the OCPCA standard sites agreement, will bring the basic hourly rate for skilled workers from £2.20 to £2.50, an increase in holiday pay from time and one third (giving a previous weekly rate of about £117) to a cash sum of £140 a week, and an increase in the weekly calculator for short-term severance payment from £2.30 to £2.50.

The agreement was verified yesterday by Mr. John Baldwin, the secretary of the National Engineering Craft Council, which represents the unions in the industry. The deal has to be approved by the unions' executives, but that is expected to be a formality.

Negotiations on a new national agreement, which would cover sites like the dispute-hit Isle of Grain power station in Kent, which effectively broke down in November over the issue of the hourly rate. The employers had offered £2.70, while the unions had claimed £3.00 an hour.

The resumed negotiations are expected to centre on the structures for the national agreement, which will include the setting up of a national joint council with a staff and headquarters, at an estimated cost of £250,000.

The national joint council would be complemented at site level by site councils.

The underlying aim of the agreement is to bring power back to national union officials and employers by increasing the amount of basic payment at the expense of locally negotiated bonus payments.

However, that attempt has in the past worried a number of the smaller employers, which prefer as low an hourly rate as possible. It also finds little favour with shop stewards and with some of the unions.

Mr. Baldwin said last night that he believed the national agreement had a "fifty-fifty" change of acceptance next year.

The employers believe that, while they will be unable to offer much, if any, "new money" above their previous offer of a £2.70 hourly rate, there is large scope for striking a new balance between basic and bonus rates.

$ falls as more banks cut prime

Continued from Page 1

period ahead." No doubt out of uncertainty over the immediate prospects, no other New York banks followed Chase down. The prevailing prime rate is thus still 21.5 per cent, the level it reached last Friday.

In Washington, Mr. Edwin Meese, the President-elect's counsellor, said the seriousness of the state of the economy will prompt "a great many steps," including a cut of "at least" 2 per cent in federal spending in 1981.

Mr. Meese said Mr. Reagan's commitment to this was as strong if not stronger than it was during the election campaign. It was not Mr. Reagan's intention to declare an economic emergency in a legal sense. But he wanted to do something which focused attention in some dramatic fashion on the country's economic ills.

David Marsh writes: Sterling rose to its highest level for a month yesterday as the dollar showed general weakness in reaction to the fall in Eurodollar interest rates and news of the prime rate cut.

The pound finished in London at $2.3700, up 1.8 cents from Monday's close, after rising as far as $2.38 at one stage. On a trade weighted basis it climbed to 78.0 from 77.7, according to the Bank of England index, the first time it had regained the 78 level since November 20.

The dollar's decline sparked off demand on the gold market in quiet pre-Christmas trading. The price closed at $604.50 per ounce, $9 up on Monday. This was the first time the metal had gone above $600 in two weeks of thin and volatile trading which saw the price decline below $550 earlier

The dollar closed at DM 1.9460 compared with Monday's DM 1.9620, taking the drop since its peak of above DM 2 two weeks ago to about 3.5 per cent.

Against the Swiss franc the U.S. currency finished at SwFr 1.7630 (SwFr 1.7725), while it was unchanged against the yen at Y207.50. Its trade weighted index calculated by the Bank of England dropped from 86.9 to 86.4.

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